



GARLAND

AGENDA

CITY COUNCIL WORK SESSION

City of Garland

Duckworth Building, Goldie Locke Room

217 North Fifth Street

Garland, Texas

July 18, 2016

6:00 p.m.

DEFINITIONS:

Written Briefing: Items that generally do not require a presentation or discussion by the staff or Council. On these items the staff is seeking direction from the Council or providing information in a written format.

Verbal Briefing: These items do not require written background information or are an update on items previously discussed by the Council.

Regular Item: These items generally require discussion between the Council and staff, boards, commissions, or consultants. These items are often accompanied by a formal presentation followed by discussion.

**[Public comment will not be accepted during Work Session
unless Council determines otherwise.]**

NOTICE: The City Council may recess from the open session and convene in a closed executive session if the discussion of any of the listed agenda items concerns one or more of the following matters:

(1) Pending/contemplated litigation, settlement offer(s), and matters concerning privileged and unprivileged client information deemed confidential by Rule 1.05 of the Texas Disciplinary Rules of Professional Conduct. Sec. 551.071, Tex. Gov't Code.

(2) The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Sec. 551.072, Tex. Gov't Code.

(3) A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Sec. 551.073, Tex. Gov't Code.

(4) Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Sec. 551.074, Tex. Gov't Code.

(5) The deployment, or specific occasions for implementation of security personnel or devices. Sec. 551.076, Tex. Gov't Code.

(6) Discussions or deliberations regarding commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay, or expand in or near the territory of the City and with which the City is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect of the sort described in this provision. Sec. 551.087, Tex. Gov't Code.

(7) Discussions, deliberations, votes, or other final action on matters related to the City's competitive activity, including information that would, if disclosed, give advantage to competitors or prospective competitors and is reasonably related to one or more of the following categories of information:

- generation unit specific and portfolio fixed and variable costs, including forecasts of those costs, capital improvement plans for generation units, and generation unit operating characteristics and outage scheduling;
- bidding and pricing information for purchased power, generation and fuel, and Electric Reliability Council of Texas bids, prices, offers, and related services and strategies;
- effective fuel and purchased power agreements and fuel transportation arrangements and contracts;
- risk management information, contracts, and strategies, including fuel hedging and storage;
- plans, studies, proposals, and analyses for system improvements, additions, or sales, other than transmission and distribution system improvements inside the service area for which the public power utility is the sole certificated retail provider; and
- customer billing, contract, and usage information, electric power pricing information, system load characteristics, and electric power marketing analyses and strategies. Sec. 551.086; Tex. Gov't Code; Sec. 552.133, Tex. Gov't Code]

1. Written Briefings:

a. Amendment to Reimbursement Agreement

Filing requirements for the City of Garland Electric Utility Notes, Series 2016 differ slightly from the filing requirements of the City of Garland Electric Utility Commercial Paper Notes, Series 2014. The proposed amendment reconciles the filing requirements. Unless otherwise directed by Council, this item will be considered for formal consideration at the August 2, 2016 Regular Meeting.

b. CDBG Economic Development - Acquisition of Commercial Property 421 E Walnut

Council is requested to approve a contract for a CDBG Economic Development Project for the acquisition of an existing vacant commercial property located at 421 E. Walnut Drive for the purpose of establishing a light assembly manufacturing business and jobs training program in Garland. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the August 2, 2016 Regular Meeting.

2. Verbal Briefings:

a. Community Multicultural Commission Report

The Community Multicultural Commission will present their annual report to Council.

b. Property Standards Board Annual Summary Presentation

The Property Standards Board will present their annual report to Council.

c. Verizon to Frontier Communications Transition Presentation

A representative from Frontier Communications will discuss and answer questions regarding the service outage issues during the company's transition from Verizon to Frontier Communications earlier this year.

d. Ray Schwertner Presentation to Council

Ray Schwertner will provide an update on regulatory, legislative, and project issues.

e. Food Truck Regulations

At the request of Council Member Stephen W. Stanley and Deputy Mayor Pro Tem Lori Barnett Dodson, Health Department will provide information on food truck regulations.

f. Transportation Update

Staff will provide an update of transportation activity regarding major transportation initiatives.

g. Texas Municipal Power Agency (TMPA) Board Appointment Process

The Texas Municipal Power Agency (TMPA) notified the City that James Ratliff's term as a member of the TMPA Board of Directors expires on July 18, 2016. The City will need to reappoint Mr. Ratliff or appoint a new member to serve for the two-year term of July 19, 2016 to July 18, 2018. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the July 19, 2016 Regular Meeting.

h. Board and Commission Vacancies

Staff will provide information on positions in each district that do not have appointment to Boards and Commissions.

i. Review of Council Policy

At the request of Council Member Stephen Stanley and Deputy Mayor Pro Tem Lori Barnett Dodson, Council is requested to forward to the Administrative Services Committee a review of Article II City Council Policies and Council Directives, Division 4 Standard Operating Procedures and Housekeeping Rules, Section 4 regarding equipment and supplies provided to the Council.

j. Committee Appointments by Mayor

Mayor Athas will be presenting his Council Committee Appointments and is requesting Council consensus.

3. Discuss Appointments to Boards and Commissions

Mayor Douglas Athas

- Justice Dickson - Garland Youth Council
- Riley Niksich - Garland Youth Council

Council Member David Gibbons

- Taylor Enslin - Garland Youth Council
- Cameron Glick - Garland Youth Council

Council Member Anita Goebel

- Erick Zamora - Garland Youth Council
- Stephanie Hernandez - Garland Youth Council

Council Member Stephen Stanley

- Savannah Anglin - Garland Youth Council

Mayor Pro Tem BJ Williams

- Esther Akapo - Garland Youth Council
- Paola Jazmin Sanchez Quintero - Garland Youth Council

Council Member Rich Aubin

- Grace Omer - Garland Youth Council
- Jade Martinez - Garland Youth Council

Deputy Mayor Pro Tem Lori Barnett Dodson

- Samuel Trevor Newman - Garland Youth Council

Council Member Scott LeMay

- Max Moeck - Garland Youth Council
- Megan May - Garland Youth Council

4. Consider the Consent Agenda

A member of the City Council may ask that an item on the consent agenda for the next regular meeting be pulled from the consent agenda and considered separate from the other consent agenda items. No substantive discussion of that item will take place at this time.

5. Announce Future Agenda Items

A member of the City Council, with a second by another member, or the Mayor alone, may ask that an item be placed on a future agenda of the City Council or a committee of the City Council. No substantive discussion of that item will take place at this time.

6. Adjourn



GARLAND POLICY REPORT

City Council Work Session Agenda

Work Session Item 1. a.

Meeting Date: July 18, 2016

Item Title: Amendment to Reimbursement Agreement

Submitted By: Jeff Janke, Administration

Council Goal: Financially Stable Government with Tax Base that Supports Community Needs

ISSUE

Filing requirements for the City of Garland Electric Utility Notes, Series 2016 differ slightly from the filing requirements of the City of Garland Electric Utility Commercial Paper Notes, Series 2014. The proposed amendment reconciles the filing requirements.

OPTIONS

1. Approve authorizing the City Manager, or his representative to execute the amendment to the reimbursement agreement. If Council concurs, this item will be scheduled for formal consideration at the August 2, 2016 Regular Session.
2. Take no action.

RECOMMENDATION

Staff recommends that Council consider approval of option number one authorizing the City Manager, or his representative, to approve the amendment to the reimbursement agreement between the City and Wells Fargo National Bank. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the August 2, 2016 Regular Meeting.

BACKGROUND

In 2014, the City Council authorized the "City of Garland, Texas, Electric Utility System Commercial Paper Notes, Series 2014". As part of the authorization, a Reimbursement Agreement dated June 1, 2014 was executed between the City and Wells Fargo National Bank, which contained certain filing requirements to be performed by the City. In 2016, the City Council authorized the "City of Garland, Texas, Electric Utility System Notes, Series 2016". Similar to the Series 2014 Notes, a Reimbursement Agreement was executed between the City and Wells Fargo National Bank, which contained certain filing requirements to be performed by the City. The filing requirements in the Series 2016 are slightly different from the Series 2014 requirements and are more advantageous to the City. The proposed First Amendment to the Reimbursement Agreement dated June 1, 2014 will align it with the Series 2016 Reimbursement Agreement.

CONSIDERATION

As currently provided in the Series 2014 and Series 2016 Electric Utility Notes reimbursement agreements, the City will have to provide different information to Wells Fargo National Bank related to Garland Power & Light, as well as information at differing times, thus creating additional complexity in satisfying the filing requirements. To simplify the administration of filing the required information associated with the Series 2014 and Series 2016, as well as obtain more advantageous terms, the City Council is requested to approve the amendment.

Attachments

Exhibit A

Ordinance Authorizing 1st Amendment

Exhibit "A"

**FIRST AMENDMENT TO
REIMBURSEMENT AGREEMENT**

THIS FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT, dated as of this [___] day of August, 2016 (this "**First Amendment**"), is by and between CITY OF GARLAND, TEXAS (the "**City**") and WELLS FARGO BANK, NATIONAL ASSOCIATION, in its capacity as Bank and issuer of the Letter of Credit under the Original Agreement (hereinafter defined) (the "**Bank**").

WHEREAS, the City and the Bank are parties to a Reimbursement Agreement, dated as of June 1, 2014 (the "**Original Agreement**"); the capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Original Agreement;

WHEREAS, the City has covenanted to provide to the Bank within sixty (60) days after the end of each of the first three fiscal quarters of the City, unaudited financial statements consisting of statement of financial position of the City's Electric Utility System (the "**System**") as of the end of such fiscal quarter and a statement of revenues, expenses and accumulated (deficit)/net revenues of the System (the "**Quarterly Financial Statements**");

WHEREAS, the City has covenanted to provide to the Bank within one hundred eighty (180) days after the end of each Fiscal Year, audited financial statements of the City consisting of a statement of financial position and a statement of cash flows and a statement of revenues, expenses and accumulated (deficit)/net revenues of the System and of all of the City's enterprise funds taken as a whole for such Fiscal Year (including in comparative form corresponding figures (if any) for all of the City's enterprise funds taken as a whole for the preceding Fiscal Years) (the "**Annual Financial Statements**"), together with an opinion of a nationally recognized firm of certified public accountants, unqualified in scope (other than an opinion qualified as a result of a change in the application of GAAP, such change being one with which such accountants concur) with respect to the financial statements of the City (the "**Auditor's Opinion**"), all in reasonable detail;

WHEREAS, the Bank has agreed to eliminate the requirement for delivery to the Bank of the Quarterly Financial Statements; and

WHEREAS, the Bank has agreed to extend the time period for delivery to the Bank of the Annual Financial Statements and Auditor's Opinion from one hundred eighty (180) days after the end of each Fiscal Year to two hundred seventy (270) days after the end of each Fiscal Year;

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Bank, intending to be bound legally, agree as follows:

Section 1. Amendment of the Original Agreement. (a) Section 5.2(a) of the Original Agreement is hereby amended and restated hereby in its entirety to read as follows:

"(a) (i) As soon as available, but in any event within two hundred seventy (270) days after the end of each Fiscal Year, audited financial statements of the City consisting of a statement of financial position and a statement of cash flows and a statement of revenues, expenses and accumulated (deficit)/net revenues of the System and of all of the City's enterprise funds taken as a whole for such Fiscal Year (including in comparative form corresponding figures (if any) for all of the City's enterprise funds taken as a whole for the preceding Fiscal Year), together with an opinion of a nationally recognized firm of certified public accountants, unqualified in scope (other than an opinion qualified as a result of a change in application of GAAP, such change being one with which such accountants concur) with respect to the financial statements of the City, all in reasonable detail, and (ii) a statement including the aggregate mark-to-market valuation of all commodity derivative contracts to be included with the financial statements described in clause (i) above provided by the City for such Fiscal Year. In connection with the requirements in the preceding sentence, the City shall provide (A) a letter from either (I) the nationally recognized firm of certified public accountants that prepared the report required by the preceding sentence, or (II) the Director of Financial Services of the City, in either case addressed to the Bank, stating that, in so far as they relate to accounting matters, no Event of Default and no Potential Default has come to such firm's or such Director's attention and was continuing at the end of such fiscal period or on the date of such firm's or

such Director's letter or, if, in so far as they relate to accounting matters, such an event has come to such firm's or such Director's attention and was continuing as of such date, indicating the nature of such event, which letter shall also set forth the calculations supporting such statements in respect of Section 5.8 hereof, and (B) a Certificate of an Authorized Representative of the City stating that the City is in full compliance with the insurance requirements of Section 5.10."

- (b) The reference in the second and third lines of Section 7.1(g) of the Original Agreement to "Section 5.2(a)(iii) hereof" shall be deleted and replaced with a reference to "Section 5.2(a)(i) hereof".

Section 2. Representations and Warranties. The City hereby represents that, as of the date of this First Amendment, the representations and warranties of the City set forth in Article IV of the Original Agreement are true and correct, as if made by the City on such date.

Section 3. References to this Agreement. From and after the date of this First Amendment, all references in the Original Agreement to "this Agreement" shall mean the Original Agreement as amended by this First Amendment.

Section 4. Governing Law. THIS FIRST AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF TEXAS; PROVIDED, HOWEVER, THAT THE RIGHTS AND OBLIGATIONS OF THE BANK UNDER THIS FIRST AMENDMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

Section 5. Headings. Section headings in this First Amendment are included herein for convenience of reference only and shall not constitute a part of this First Amendment for any other purpose.

Section 6. Counterparts. This First Amendment may be executed in several counterparts, each of which shall be an original and all of which together shall constitute one instrument.

Section 7. Effect of Amendment. The Original Agreement is hereby amended to the extent provided in this First Amendment and, except as specifically provided herein, the Original Agreement shall remain in full force and effect in accordance with its terms.

Section 8. Amendment Fee. Simultaneously with the full execution of this First Amendment, the Borrower shall pay to the Bank (i) an "Amendment Fee" in the amount of \$2,500.00, and (ii) the fees and expenses of counsel to the Bank in connection with this First Amendment.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, intending to be legally bound, the City and the Bank have caused this First Amendment to be duly executed as of the date first above written.

CITY OF GARLAND, TEXAS

By _____
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By _____
Name:
Title:

ORDINANCE NO.

AN ORDINANCE APPROVING A FIRST AMENDMENT TO THAT CERTAIN REIMBURSEMENT AGREEMENT BETWEEN WELLS FARGO BANK, NATIONAL ASSOCIATION, AND THE CITY OF GARLAND, TEXAS; RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Garland, Texas (the "City"), previously authorized the "City of Garland, Texas, Electric Utility System Commercial Paper Notes, Series 2014," in the aggregate principal amount of not to exceed \$60,000,000 (collectively, the "Notes") and in connection therewith executed a Reimbursement Agreement dated as of June 1, 2014 (the "Reimbursement Agreement"), by and between the City and Wells Fargo Bank, NA (the "Bank");

WHEREAS, the Bank and the City have agreed to amend the Reimbursement Agreement by entering into that certain First Amendment to Reimbursement Agreement, a substantial copy of which is attached hereto as Exhibit A (the "First Amendment") by and between the City and the Bank to conform certain filing requirements to the requirements specified in the documents related to the City's recently authorized Electric Utility System Notes, Series 2016;

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

Section 1

The City hereby approves the First Amendment in substantially the form attached hereto as Exhibit A, with such changes or additions thereto as may be approved by the City Manager, Director of Financial Services of the City or the Chief Financial Officer of Garland Power and Light (upon advice of bond counsel to the City), as evidenced by their execution and delivery thereof, and the City Manager or the Director of Financial Services of the City and the Chief Financial Officer of Garland Power and Light are each hereby authorized and directed, for and on behalf of the City, to execute the First Amendment, and such officers are hereby authorized to deliver the First Amendment to the Bank. Upon execution by the parties thereto and delivery thereof, the First Amendment shall be binding upon the City in accordance with the terms and provisions thereof.

Section 2

It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

Section 3

That this Ordinance shall be and become effective immediately upon and after its adoption and approval.

PASSED AND APPROVED this the ____ day of _____, 2016.

CITY OF GARLAND, TEXAS

Mayor

ATTEST:

City Secretary



GARLAND POLICY REPORT

City Council Work Session Agenda

Work Session Item 1. b.

Meeting Date: July 18, 2016

Item Title: CDBG Economic Development - Acquisition of Commercial Property 421 E Walnut

Submitted By: Mona Woodard, Neighborhood Services Administrator

Council Goal: Sustainable Quality Development and Redevelopment

ISSUE

Contract approval from City Council for a CDBG Economic Development Project for the acquisition of an existing vacant commercial property located at 421 E. Walnut Drive for the purpose of establishing a light assembly manufacturing business and jobs training program in Garland.

OPTIONS

1. Approve the contract
2. Do not approve the contract

RECOMMENDATION

Staff recommends approval of Green Extreme Homes, CDC for the award of contract for acquisition financing in the amount of \$500,000 to purchase a vacant commercial property located at 421 E. Walnut. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the August 2, 2016 Regular Meeting.

BACKGROUND

Green Extreme Homes has proposed to establish a light assembly manufacturing business which will produce structural insulated panels. These panels are an energy efficient building material used instead of traditional framing materials for new construction. Green Extreme Homes will administer a low income veteran jobs training program. The program will train veterans the skills and methods required to secure employment in the energy efficiency construction field. Veterans will receive compensation while participating in the training program.

Community Development Block Grant (CDBG) funding will be used to provide financing to acquire an existing commercial facility. The funding will be fully repaid to the CDBG Economic Development Program within a ten year timeframe. Green Extreme will commit to providing at a minimum 15 full time jobs throughout the term of the loan. The project is an eligible activity

approved in the 2014-2019 Consolidated Plan.

CONSIDERATION

The Project has been evaluated in accordance with standard Department of Housing and Urban Development (HUD) underwriting guidelines and fits all criteria to provide grant funding and has been approved by the Housing and Community Services Department. A Phase I Environmental review has been completed on the property to ensure that no environmental hazard exists.

Attachments

421 E Walnut - CDBG Acquisition

421 E Walnut - CDBG Contract

Attachment A – Property Information

This Industrial Property is For Sale.
421 E Walnut St
Garland, TX 75040 · 21,902 SF · Industrial For Sale
\$985,590
421 E Walnut St



Price \$985,590 No. Stories 1
Building Size 21,902 SF Year Built 1986
Price/SF \$45 Clear Ceiling Height 12 ft.
Property Type Industrial No. Drive In / Grade-Level Doors 11
Property Sub-type Warehouse Lot Size 1.55 AC
Property Use Type Vacant/Owner-User Zoning Description MI
Listing ID: 19687103 Date Created: 03/15/2016 Last Updated: 05/09/2016



GARLAND

Attachment B – Contract for CDBG Grant Funds

**COMMUNITY DEVELOPMENT BLOCK GRANT
LOAN AGREEMENT – ECONOMIC DEVELOPMENT**

CITY OF GARLAND HOUSING AND COMMUNITY SERVICES DEPARTMENT

Date _____

The City of Garland Housing and Community Services Department (HCS DEPARTMENT) and **Green Extreme Homes CDC** (BORROWER) agree to a loan pursuant to the Community Development Block Grant program (CDBG) authorized by the federal Department of Housing and Urban Development (HUD) and as administered and approved by Housing and Community Services (HCS), subject to the following terms and conditions, and/or attachments:

ARTICLE 1.0 - GENERAL

1.1 Definitions

1.2 The Loan

HCS DEPARTMENT agrees to lend BORROWER an amount up to **Five Hundred Thousand** dollars (\$500,000) to assist in the financing of the project(s) described in Article 2.3 of this Agreement. BORROWER shall execute a Promissory Note to HCS DEPARTMENT in an amount equal to the maximum amount of this loan, **Five Hundred Thousand** dollars (\$500,000). In the event BORROWER does not require the maximum amount of this loan, any funds undisbursed by HCS DEPARTMENT shall reduce the loan accordingly.

1.3 Time of Performance

The project described in Article 2.3 shall be completed on or before 6 months from time of execution.

1.4 Report and Products

BORROWER shall submit the following reports:

1. Employment Report/Loan Status - Submitted on a semi-annual basis throughout the term of the loan. The first report shall be submitted no later than sixty (60) days after the disbursement of the loan.

1.5 Intended Third Party Beneficiary

The HCS is an "Intended Third Party Beneficiary" of this contract and as such, is legally entitled to enforce this agreement. In particular, it is expressly contemplated by the contracting parties that the HCS will have the authority to enforce the "Events of Default" (6.4) and "Actions Upon a Declaration of Default" (6.5) provisions of this Agreement if the HCS DEPARTMENT does not exercise the rights of Articles 6.4 and 6.5. This provision in no way restricts any legal rights or remedies that the HCS may assert against the (city/county) for its failure to enforce the conditions and requirements of this agreement.

ARTICLE 2.0 - BORROWER'S PROJECT(S)

2.1 Location of Project(s).

The location of the project is: 421 E. Walnut, Garland TX 75040

2.2 Statement of Work and Services

BORROWER shall perform the work activities and services described in this CDBG Economic Development Grant Agreement, in a satisfactory and proper manner, as determined by HCS DEPARTMENT. BORROWER's work activities and services shall conform to the approved Program Budget form of the Financial Assistance Award.

2.3 Project(s) Description

The project(s) shall be described in the approved CDBG Economic Development Application:

(SCOPE OF THE PROJECT)

Financial assistance for the acquisition of a vacant commercial manufacturing facility land development of a paid veteran jobs training program. The project will provide at a minimum 15 full time positions for a term of 10 years.

2.4 Conveyance or Disposition of Project(s)

BORROWER shall not sell, transfer, convey, lease or otherwise dispose of the project(s) in whole or in part without the express written consent of the Housing and Community Services Department in the City of Garland until the loan has been repaid in full.

2.5 Project Budget

Uses	Source of Funding	Amount
Acquisition	CDBG	500,000
	Private Financing	225,000
Fixed Equipment Purchase	Private Funding	486,000
Operating Expenses/Jobs Training Program Implementation	Private Funding	307,591
TOTAL Costs		1,518,591

2.6 Cost Variations

In the event that the total cost of the project(s) is less than the amount specified in Article 2.5, loan funds shall be reduced by the HCS in the ratio that loan funds are to the total project, excluding equity.

2.7 Cost Sufficiency

HCS DEPARTMENT is under no obligation to advance funds in addition to the amount specified in Article 1.2.

ARTICLE 3.0 - BORROWER'S CONTRIBUTION TO THE PROJECT(S)

3.1 BORROWER's Contribution

The BORROWER agrees to contribute an estimated \$1,018,591.00 toward the completion of the project, as shown in Article 2.5 of this Agreement.

3.2 Source of BORROWER's Contribution

The source(s) of BORROWER's contribution is:

Private financing in the amount of:	\$225,000
Owner funding in the amount of:	\$793,591

ARTICLE 4.0 - CONDITIONS

4.1 BORROWER's Representations

BORROWER represents the following:

- 4.1.1 Duly Authorized. The making and performance by BORROWER of this Agreement, and the execution and delivery of the Note, Attachment A, and any Security Agreements and instruments have been duly authorized by all necessary corporate action, if any, and will not violate any law, rule, regulation, order, writ, judgment, decree, determination or award presently in effect having applicability to the BORROWER or any provision of the BORROWER's charter or bylaws or result in a breach of or constitute a default under any indenture or bank loan or credit agreement or any other agreement or instrument to which BORROWER is a party or by which it is or its property may be bound or affected.
- 4.1.2 Legally Binding Instruments. When this Agreement is executed by BORROWER and HCS DEPARTMENT, and when the Note, Attachment A, is executed and delivered by BORROWER for value, each instrument shall constitute the legal, valid, and binding obligation of BORROWER in accordance with its terms.
- 4.1.3 Suits Pending. There are no legal actions, suits, or proceedings pending or, to the knowledge of BORROWER, threatened against BORROWER before any court or administrative agency, which, if determined adversely to the BORROWER, would have a material adverse effect on the financial condition or business of BORROWER.
- 4.1.4 No Legal Authorization Needed. No authorization, consent or approval, any formal exemption of any governmental body, regulatory authorities (federal, state or local) or mortgage creditor or third party is or was necessary to the valid execution and delivery by BORROWER of this Agreement, the Note, or any Security Agreement, Financing Statement or Mortgage.
- 4.1.5 Not in Default. BORROWER is not in default of any obligation, covenant or condition contained in any bond, debenture, note, or other indebtedness or any mortgage of collateral instrument securing the same.
- 4.1.6 Taxes are Paid. BORROWER has filed all tax returns which are required and has paid or made provision for the payment of all taxes which have or may become due pursuant to said returns or pursuant to any assessments levied against BORROWER or its personal or real property by any taxing agency, federal, state or local for taxes materially in excess of those already provided for and BORROWER knows of no basis for any such deficiency assessment.

4.2 Obligations of the HCS DEPARTMENT Conditional

HCS DEPARTMENT is under no obligation to make this loan until the following conditions are met:

4.2.1 Execution and Delivery of Note and Loan Agreement. BORROWER shall execute and deliver this Loan Agreement and the Promissory Note to HCS in a form satisfactory to HCS.

4.2.2 Execution and Delivery of Collateral Documents. BORROWER shall execute and deliver all appropriate Security Agreements, Financing Statements and/or Mortgage Deed required by HCS. These Security Agreements, Financing Statements and/or Mortgage Deeds must not be subject to prior liens and encumbrances, with the following exceptions:

**All legal documents executed by the City must be returned as originals.
Copies of other financing instruments will be retained in the case file.**

Documentation of these agreements is attached.

4.2.3 Governmental Approval. HCS shall have secured all necessary approval from Governmental bodies having jurisdiction over the project, the Environmental Protection Agency, the State Historical Society and:

N/A

4.3 Affirmative Covenants of the BORROWER

BORROWER agrees to comply with the following until the terms of this agreement are completed or otherwise terminated.

4.3.1 Payment of the Loan. BORROWER agrees to make all payments required under the note and this agreement.

4.3.2 Maintain and Insure Property. BORROWER agrees at all times to maintain the property provided as security for this loan and in such condition and repair that HC's security will be adequately protected. BORROWER also agrees to maintain during the term of the loan adequate hazard insurance policies covering fire and extended coverage and such other hazards as may be deemed appropriate in amounts and form sufficient to prevent HCS from becoming a co-insurer and was issued by companies satisfactory to HCS with acceptable loss payee clauses in favor of HCS.

4.3.3 Pay All Taxes. BORROWER agrees to duly pay and discharge all taxes, assessments and governmental charges upon it or against those properties related to this Agreement prior to the date on which the penalties attached thereto.

4.3.4 Maintain Existence. BORROWER agrees to maintain its corporate existence, rights, privileges, and franchises within the State of Texas and qualify and remain qualified as a foreign corporation in each jurisdiction in which its present or future operations or its ownership or property require such qualification.

4.3.5 Provide Financial Information. BORROWER agrees to maintain adequate records and books of account, in which complete entries will be made reflecting all of its business and financial transactions in accordance with generally accepted accounting principles consistently applied.

BORROWER agrees to submit true and accurate copies of its annual financial statements to

HCS on the following dates: **By December 31 of each year or end of the first quarter until the loan is paid off.**

4.4 RESERVED

4.5 Negative Covenants of BORROWER

BORROWER agrees to not enter into any agreement or other commitment which would violate or otherwise encumber this agreement without the express written consent of HCS. Prohibited agreements include, but are not limited to:

4.5.1 Encumber the Acquisition Assets. BORROWER will neither create nor allow to exist any mortgage, pledge, lien charge, or encumbrance, including liens arising from judgments on the acquisition assets, with the following exception(s): Guaranty Bank & Trust Loan

4.5.2 Sell the Acquisition Assets. BORROWER will not sell, convey, lease, assign, transfer or otherwise dispose of the acquisition assets without the express written consent of the HCS DEPARTMENT and the HCS, with the following exceptions: Inventory, supplies and n/a

4.5.3. Change Ownership. Except with the express written consent of HCS DEPARTMENT, BORROWER will not merge into or consolidate with any other firm or corporation, nor will the BORROWER substantially distribute, liquidate or otherwise dispose of BORROWER'S assets.

ARTICLE 5.0 - LOAN REPAYMENT

5.1 Repayment of Loan

BORROWER agrees to repay loan at maturity, attached. BORROWER agrees to abide by the repayment schedule to be attached to this agreement after the first drawdown of CDBG funds.

5.1.1 Time and Place of Payments. BORROWER shall make each payment U.S. funds, on or before the date due at The City of Garland, 800 Main Street, Garland TX 75040. If the due date falls on a Saturday, Sunday or bank holiday, payment will not be due until the following business day.

5.1.2 Documented and approved in-kind donations may used as repayment of loan.

5.2 Default

The following circumstances are "Events of Default."

5.2.1 If representations, conditions or warranties made by BORROWER prove to be incorrect in any material respect when made or change so that the statement becomes incorrect, whether voluntarily or involuntarily.

5.2.2 BORROWER fails to repay any installment of principal within ten (10) business days after it is due.

5.2.3 BORROWER fails to perform or observe any other term or condition contained in this agreement and any such failure remains unremedied for thirty (30) calendar days after receipt of written notice from HCS DEPARTMENT or the HCS.

5.2.4 Execution is levied against the project or any suit is brought by lien creditors to enforce a judgment against the project or such other property and shall continue unstayed for more than thirty (60)

consecutive calendar days.

- 5.2.5 BORROWER sells, transfers, leases or conveys the project, or any part thereof, without the express, written consent of HCS DEPARTMENT and the HCS, whether voluntarily or involuntarily.
- 5.2.6 BORROWER fails to create or retain at least 15 of the jobs listed in Article 6.5.
- 5.2.7 BORROWER fails to meet the minimum of 51% of jobs for low and moderate income persons.
- 5.2.8 BORROWER defaults upon any other debt or loan whatsoever, whether on this project or for any other purpose.
- 5.2.9 If any guarantee provided to accommodate the making of this loan becomes impaired in any way, or if any guarantor has a loss of net worth of 10 percent or more from the time the guarantee is made. – N/A
- 5.2.10 If HCS DEPARTMENT believes itself-insecure.

5.3 Actions Upon a Declaration of Default

Upon declaration of default by HCS DEPARTMENT, may:

- 5.3.1 By notice to BORROWER, declare the loan payable under the Promissory Note and this Agreement to be forthwith due and payable, without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by the BORROWER;
- 5.3.2 NOTICE TO CURE – Upon declaration of default, HCS shall give borrower 90 days notice to cure default.
- 5.3.3 Take whatever action at law or in equity may appear necessary or desirable to collect the payments and other amounts then due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the BORROWER under this Agreement. No remedy herein conferred upon or reserved to HCS DEPARTMENT is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

ARTICLE 6.0 - ADMINISTRATIVE AND COMPLIANCE REQUIREMENTS

6.1 Accounts and Records

- 6.1.1 Accounts. BORROWER will maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred and revenues acquired under this Agreement to the extent and in such detail as will properly reflect all costs, direct and indirect, of labor, materials, equipment, supplies, services and other costs and expenses.
- 6.1.2 Audit and Inspection. At any time during normal business hours and as frequently as is deemed necessary, BORROWER shall make available to HCS DEPARTMENT, the HCS, the General Accounting Office and the Department of Housing and Urban Development, or their agents for their examination, all of its records pertaining to all matters covered by this Agreement and permit these agencies to audit, examine, make excerpts, or transcripts from such records, contract, invoices, payrolls, personnel records, conditions of employment, and all other matters covered by this Agreement.

- 6.1.3 Retention of Records. All records in the possession of the BORROWER pertaining to this Agreement shall be retained by BORROWER for a period of three (3) years beginning with the date upon which the final payment under this Agreement is issued. All records shall be retained beyond the three year period if audit findings have not been resolved within that period or if other disputes have not been resolved. Records for nonexpendable property acquired under this Agreement shall be retained for a three (3) year period after the final disposition of property.

6.2 Civil Rights Provisions

- 6.2.1 Discrimination in Employment. BORROWER shall not discriminate against any qualified employee or applicant for employment because of race, color, religion, sex, national origin, age, or physical or mental disability. BORROWER should take affirmative action to ensure that applicants are employed and that employees are treated without regard to national origin, age, or disability. Such actions shall include but may not be limited to the following: employment, upgrading, demotion or transfers; recruitment or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including an apprenticeship. BORROWER agrees to post notices setting forth the provisions of the nondiscrimination clause in conspicuous places so as to be available to employees.
- 6.2.2 Consideration for Employment. BORROWER shall, in all solicitations or advertisements for employees placed by or on behalf of HCS DEPARTMENT, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age, or disability.
- 6.2.3 Civil Rights Compliance in Employment. BORROWER shall comply with all relevant provisions of the Fair Labor Standards Act (29 USC Section 201 et. seq.), Section 504 of the Vocational Rehabilitation Act of 1973 (29 USC Section 794), the Age Discrimination in Employment Act of 1967 (42 USC Section 6101 et. seq.). BORROWER will furnish all information and reports requested by the State of Texas or required by or pursuant to the rules and regulations thereof and will permit access to payroll and employment records by the State of Texas to investigate compliance with these rules and regulations. For the following provisions, BORROWER is synonymous with contractor and BORROWER agrees to be bound by these provisions. Federal Executive Orders 11246 and 11375 require that all contracts in excess of \$10,000 include the following language:

"During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
- (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- (3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be

provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. – N/A

- (4) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965 and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any the any such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (7) The contractor will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."

6.2.4 Program Nondiscrimination BORROWER shall confirm with requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et. seq.*) and HUD regulations issued pursuant thereto contained in 24 CFR Part 1. No person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available through this contract. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1965 (42 USC 6101 *et. seq.*) or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Vocational Rehabilitation Act of 1963 (29 USC Section 794) shall also apply to any such program or activity. The BORROWER shall also comply with Section 109, Title I of the Housing and Community Development Act of 1974, as amended.

6.2.5 Fair Housing. BORROWER shall comply with Title VIII of the Civil Rights Act of 1968 (42 USC 3601 *et. seq.*), generally known as the Fair Housing Act, and with HUD regulations found at 24 CFR Part 107, issued in compliance with Federal Executive Order 11063, as amended by Federal Executive Order 12259.

6.2.6 BORROWER shall comply with provisions for training, employment, and contracting in accordance with Section 3 of the Housing and Urban Development Act of 1968 (12 USC 1701u).

6.2.7 Noncompliance with the Civil Rights Laws. In the event of the BORROWER's noncompliance

with the nondiscrimination clauses of this Agreement or with any of the aforesaid rules, regulations, or requests, this Agreement may be canceled, terminated, or suspended either wholly or in part.

- 6.2.8 BORROWER will include the provisions of Article 6.0 in every subcontract for construction carried out with funds provided under this Agreement unless exempted by the State of Texas, and said provisions will be binding on each subcontractor. BORROWER will take such action with respect to any subcontract as the State of Texas may direct as a means of enforcing such provisions including sanctions for noncompliance.

6.3 Environmental Requirements

BORROWER shall comply with the policies of the National Environmental Policy Act of 1969 and other provisions of law which further the purposes of such Act as specified in the regulations issued by HUD contained in 24 CFR Part 58.

6.4 Wage and Labor Requirements

- 6.4.1 Anti-Kickback. All contractors and subcontractors involved in construction or repair carried out with funds provided under this Agreement shall comply with the Copeland Anti-Kickback Act (18 U.S.C. 874) and Department of Labor regulations at 29 CFR, Part 3. This Act provides that each contractor or subcontractor shall be prohibited from requiring, by any means, any person employed in the construction, completion or repair of public works, to give up any part of the compensation to which he is otherwise entitled. – N/A to this Project – acquisition only.

- 6.4.2 Wage Rates and Safety Standards. For construction contracts of \$2,000 and above, all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed by or with funds provided under this Agreement shall be paid wages at rates no less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a - 276a-5); implemented at 29 CFR Part 5, by reason of this requirement, the Agreement Work Hours and Safety Standards Act (40 U.S.C. 327 et. seq.) also applies and is also implemented at 29 CFR Part 5; provided that this section shall apply to the rehabilitation of residential property only if such property is designed for residential use of eight or more units. – N/A to this project – acquisition only.

6.5 Benefit to the Community

The underlying purpose of this loan is to provide specific benefits to the City of Garland by providing a jobs training program and paid internships for a term of 10 years to low income persons in Garland. To that end, BORROWER further agrees to the following:

- 6.5.1 Employment of Low and Moderate Income Persons. BORROWER shall employ **a minimum of 15** persons whose income prior to such employment meets Section 8 income guidelines for LMI persons in Dallas county. These persons shall be employed by **the end of the 2nd year of contract execution.**

ARTICLE 7.0 - OTHER CONDITIONS

- 7.1 This Agreement is, and the attached Promissory Note, other documents and agreements required by this Agreement, when delivered, will be, legal, valid and binding obligations of BORROWER enforceable against BORROWER in accordance with their respective terms.
- 7.2 The performance of this Agreement, and any related transactions, shall not encumber, burden or violate BORROWER'S assets, property or business relationships, except as provided in this Agreement.

- 7.3 BORROWER is aware of no litigation or other legal action pending or threatened, which would burden or otherwise adversely affect the ability of BORROWER to perform this agreement.
- 7.4 BORROWER will comply in all applicable laws, rules, ordinances, regulations and orders. BORROWER will pay all applicable taxes, assessments and governmental charges imposed upon BORROWER or BORROWER'S property when due, unless they can be contested in good faith.
- 7.5 HCS DEPARTMENT and the HCS shall have no responsibility to incur any expense for maintenance or preservation of the Project, or for the payment of any taxes, assessments or other governmental charges assessed or levied with respect to the Project.
- 7.6 Agreement Coverage
- 7.6.1 This agreement, including attachments and reference documents, is the final written expression of all the terms of this agreement and is a complete and exclusive statement of those terms. This agreement binds upon the successors in office of the respective parties.
- 7.6.2 The invalidity, in whole or in part, of any term of this agreement does not affect the remainder of the agreement.
- 7.7 Term of the Agreement. This Agreement shall be in full force and effect from its date and shall continue in effect so long as the loan is outstanding and unpaid.
- 7.8 Indemnity; Fees and Expenses.
- 7.8.1 BORROWER will indemnify and save harmless HCS DEPARTMENT and its officers and employees and the HCS from and against any and all losses, by it or them while it or they are acting in good faith to carry out the transactions contemplated by this Agreement or to safeguard its or their interest or ascertain, determine or carry out its or their obligations under this Agreement or any law or contract applicable to said transaction.
- 7.8.2 BORROWER will, upon demand, pay to HCS DEPARTMENT or the HCS the amount of any and all reasonable expenses, including the reasonable fees and expenses of their council and of any experts and agents, which HCS DEPARTMENT may incur in connection with the exercise or enforcement of any of the rights of HCS DEPARTMENT hereunder, the failure by BORROWER to perform or observe any of the provisions hereof, the collection of payments due under this Agreement, and other reasonable expenses of HCS DEPARTMENT or the HCS related to the Project or this financing (including reasonable attorneys' fees except where and to the extent prohibited by law) which are not otherwise expressly required to be paid by BORROWER under the terms of this Agreement.
- 7.8.3 BORROWER agrees to pay all appraisal fees, survey fees, recording fees, license and permit fees and insurance premiums, and agrees to reimburse HCS DEPARTMENT upon demand for all reasonable out-of-pocket expenses actually incurred by HCS DEPARTMENT in connection with this Agreement or in connection with the transactions contemplated by this Agreement, including, but not limited to, any and all reasonable closing costs.

It is the intention of the parties that HCS DEPARTMENT shall not incur pecuniary liability by reason of the terms of this Agreement, or the undertakings required of HCS DEPARTMENT hereunder, the performance of any act required of it by this Agreement or of it by BORROWER, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing; accordingly, if HCS DEPARTMENT (including any person at any time serving as an officer or employee of HCS DEPARTMENT) shall incur any such pecuniary liability, then in such even BORROWER shall indemnify and

hold harmless HCS DEPARTMENT (including any person at any time serving as an officer or employee of HCS DEPARTMENT) against all claims by or on behalf of any person, firm or corporation arising out of the same, and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon.

BORROWER releases HCS DEPARTMENT and the HCS (including any person at any time serving as an officer or employee of HCS DEPARTMENT or HCS) from, agrees that HCS DEPARTMENT (including any person at any time serving as an officer or employee of HCS DEPARTMENT) shall not be liable for, and agrees to indemnify and hold HCS DEPARTMENT (including any person at any time serving as an officer or employee of HCS DEPARTMENT) harmless from, (i) any liability for any loss or damage to property or any injury to, or death of, any person that may be occasioned by any cause whatsoever pertaining to the Project, or (ii) any liabilities, losses or damages, or claims thereof, arising out of the failure, or claimed failure of BORROWER to comply with it covenants contained in this Agreement, including in each such case, any attorneys' fees.

BORROWER agrees to indemnify and hold HCS DEPARTMENT (including any person at any time serving as an officer or employee of HCS DEPARTMENT) harmless to the fullest extent permitted by law from any losses, costs, charges, expenses (including attorneys' fees except where and to the extent prohibited by law), judgments and liabilities incurred by it or them, as the case may be, in connection with any action, suit or proceeding instituted or threatened in connection with the transaction contemplated by this Agreement. If any such claim is asserted, HCS DEPARTMENT or any individual indemnified herein, as the case may be, will give prompt notice to BORROWER and BORROWER will assume the defense thereof, with full power to litigate, compromise or settle the same in BORROWER's sole discretion provided, however, HCS DEPARTMENT retains the right to employ separate counsel whose fees and expenses shall be borne by BORROWER, it being understood that neither HCS DEPARTMENT or its agent nor any indemnified individual will settle or consent to the settlement of the same without the written consent of BORROWER. The obligation of the parties under this Section shall survive the termination of this Agreement.

- 7.9 Binding Effect; Governing Law. This Agreement shall be binding upon and inure to the benefit of BORROWER and HCS DEPARTMENT and their respective successors and assigns, except that BORROWER shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of HCS DEPARTMENT and the HCS. This Agreement shall also inure to the benefit of HCS DEPARTMENT.
- 7.10 Obligations of BORROWER Unconditional. BORROWER'S obligations under of this agreement are unconditional, and not subject to any defense or any right of set-off, counter-claim or recoupment arising out of any breach by HCS DEPARTMENT of any obligation to BORROWER, pursuant to this agreement or any other, or out of any indebtedness or liability at any time owing to BORROWER by HCS DEPARTMENT. BORROWER will not diminish, suspend or discontinue any payments provided in Article 8.14, or any other provision of this agreement. BORROWER will pay required payments in full when due, without any diminution whatsoever.
- 7.11 Assignments. HCS DEPARTMENT'S waiver of a breach by BORROWER of any provision of this agreement is not a waiver of future compliance, and any provision waived, as well as other provisions of this contract remain in full force and effect. HCS DEPARTMENT or the HCS is not precluded from future exercise of a right or remedy or the exercise of any other right or remedy by a single or partial exercise of a right or remedy.
- 7.12 Amendment of this Agreement. BORROWER or HCS DEPARTMENT may, during the duration of this Agreement, deem it necessary to make an alteration to the provisions of this Agreement. Any changes to this Agreement, which are approved by Green Extreme Homes and HCS, shall be incorporated into this Agreement. The provisions of the amendment shall be in effect as of the date of the amendment

unless otherwise specified within the amendment. A waiver of any condition of this Agreement must be in writing from the duly authorized official of the City of Garland and Green Extreme Homes.

7.13 Suspension and Termination of this Agreement

- 7.13.1 Suspension. If BORROWER fails to comply with the conditions of this Agreement, HCS DEPARTMENT may, after notice to BORROWER, suspend the Agreement and withhold further payments or prohibit BORROWER from incurring additional obligations of funds, pending corrective action by BORROWER or a decision to terminate in accordance with provisions of this Agreement. HCS DEPARTMENT may determine to allow such necessary and proper costs which BORROWER cannot reasonably avoid during the period of suspension.
- 7.13.2 Termination for Cause. HCS DEPARTMENT may terminate this Agreement in whole, or in part, at any time before the date of completion, whenever it is determined that BORROWER has failed to comply with the conditions of the Agreement. HCS DEPARTMENT shall promptly notify BORROWER in writing of the determination and the reasons for the termination, together with the effective date. Payments made to BORROWER or recoveries by HCS DEPARTMENT under Agreements terminated for cause shall be in accord with legal rights and liabilities of the parties. Payments and recoveries may include, but are not limited to the following: Payments may be allowed for costs determined to be in compliance with this Agreement up to the date of termination, based on accepted audits. BORROWER shall return to HCS DEPARTMENT all unspent funds within one week of notice of termination. In addition, all unpaid principal plus interest due must be repaid by BORROWER within 30 days.
- 7.14 Litigation. BORROWER agrees to pay the cost of any litigation arising from failure of BORROWER to comply with the rules and regulations in this Agreement or resulting from the negligence or incompetence of BORROWER. There shall be no liability, personal or otherwise, upon HCS DEPARTMENT or the State of Texas, or their employees in carrying out the provisions of this Agreement by BORROWER, or in the exercise of any power or authority by BORROWER pursuant to this Agreement. BORROWER shall indemnify and save harmless the State of Texas and City Garland from suits, actions or claims of any character arising from any injuries or damages received by any person or property resulting from operations of BORROWER or any persons working under BORROWER, in performance of the terms of this Agreement.

7.15 Resolution of Disagreement. In the event of any disagreement between the BORROWER and the HCS DEPARTMENT relating to the technical competence of the work and services being performed and its conformity to the requirements of this Agreement, the decisions of HCS DEPARTMENT and/or the HCS shall prevail.

Borrower

HCS Department

Green Extreme Homes, CDC

City of Garland

By

By

Date

Date

The special endorsement of this Note does not constitute an indebtedness or a charge against the credit of the general funds of the City of Garland.

By

Signature

Title



**GARLAND
CITY COUNCIL ITEM SUMMARY SHEET**

City Council Work Session Agenda

Work Session Item 2. a.

Meeting Date: July 18, 2016

Item Title: Community Multicultural Commission Annual Report

Submitted By: Beth Dattomo, Program Manager

Summary of Request/Problem

The Community Multicultural Commission will present their annual report.

Recommendation/Action Requested and Justification

Information only.

Attachments

CMC Presentation

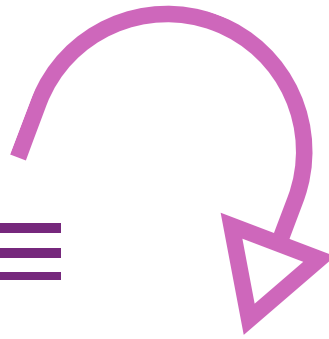


COMMUNITY
MULTICULTURAL
COMMISSION



GARLAND

About us

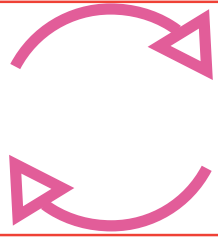


The Community Multicultural Commission seeks to serve the City Council and residents of the City of Garland community by being:

- a forum for citizens to share and discuss issues and ideas important to them and critical to the appreciation of Garland's cultural, ethnic and racial diversity
- an advocate for creative and full inclusion of all our residents so that the quality of life is enhanced for all
- an enabler in promoting and celebrating our City's rich assortment of cultures
- a team that encourages cooperative relationships among Garland's diverse groups and individuals who share a common concern and caring for our community



GARLAND



MISSION:



to maximize the potential inclusion and
quality of life of all
citizens in the City of Garland by
identifying issues and making
recommendations to the City Council
concerning the
City's changing demographic composition
and diverse needs.



GARLAND

members



Genai Walker-Macklin

Charles Pickitt

Jim Gallegos

Jennifer Nguyen

Ali Said

Eric Barron

LeAnn Hampton

Ed Moore

Shibu Samuel

Patricia Anthony

Marcie Adame

Ana Marie DeYoung



GARLAND

Mayor's Appointees



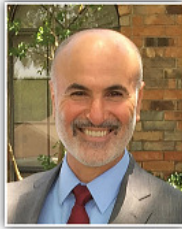
Jim Gallegos



Jennifer Nguyen



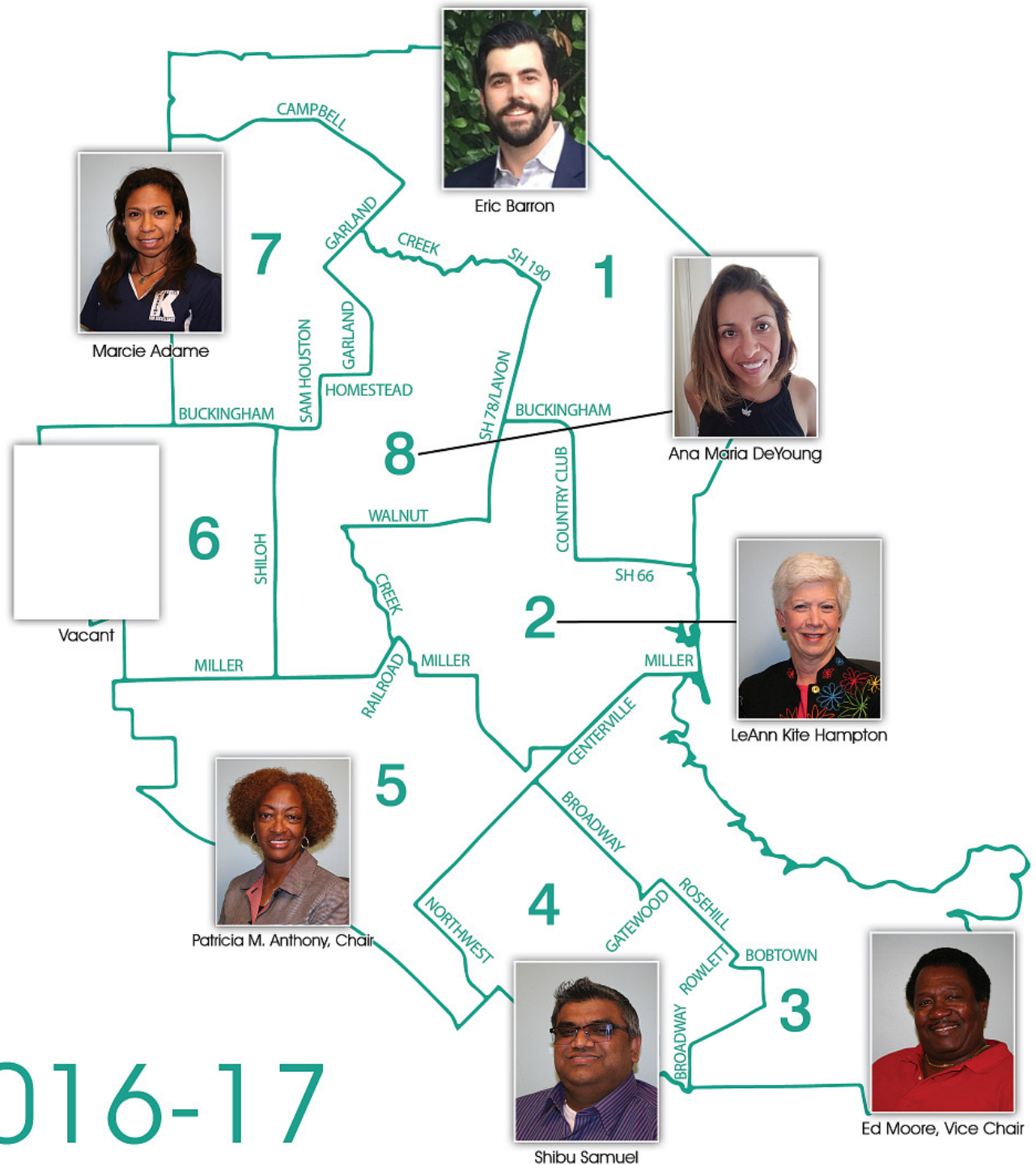
Charles Pickett



Ali Said



Genai Walker-Macklin



2016-17



- INCREASE AWARENESS OF THE CMC AMONGST EACH DISTRICT
- WORK TO ACTIVELY ENGAGE IN NEIGHBORHOOD MEETINGS
- ATTEND CITYWIDE AND COMMUNITY EVENTS
- HOST TOWN HALL MEETINGS
- DEVELOP COMMUNITY PARTNERSHIPS



GARLAND

Committees:

Multicultural Affairs
Community Services
Communication, Learning and Understanding (CLUE)

the committees are to facilitate and participate in educational events that reflect the multicultural and multiethnic makeup of the citizens of Garland. The committees present and encourage professional/personal development, educational enrichment, and cultural diversity to the communities served in their respective districts and throughout the city.



multicultural affairs



the goal of this committee is to coordinate and present multicultural programs that celebrate the diversity of the citizens of Garland. These programs reflect the universal cultural, educational uniqueness, and multi-ethnicity.



GARLAND

Community *services*

SERVING THE DIVERSE COMMUNITY

the goal of this committee is to provide services to various multicultural and multi-ethnic communities and organizations within the city. These services include: assisting with programs, representing the CMC at various multicultural and multi-ethnic activities, and providing guidance upon request.



COMMUNITY, LEARNING & **EDUCATION**

the CLUE Committee

the goal of this committee is to educate the citizens of Garland of the existence and purpose of the CMC. Through the outreach efforts, this committee becomes more informed of the concerns and needs of the community and attempts to address them. Additionally, this group develops relationships with GISD as well as other neighborhood and advisory committees in the community.



GARLAND

CONTACT US



STAFF



Beth Dattomo

Courtney Vanover

Members

Staff Liaison

Board Secretary

Business Card Contact

more detail

[www.garlandtx.gov/boards and commissions](http://www.garlandtx.gov/boards-and-commissions)



GARLAND



**GARLAND
CITY COUNCIL ITEM SUMMARY SHEET**

City Council Work Session Agenda

Work Session Item 2. b.

Meeting Date: July 18, 2016

Item Title: Property Standards Board Annual Summary Presentation

Submitted By: Richard Briley, Managing Director

Summary of Request/Problem

David Perry, Chairman of the Property Standards Board will provide an overview of the Board's activities.

Recommendation/Action Requested and Justification

Information Only.

Attachments

Property Standards Board 2016



GARLAND

PROPERTY STANDARDS BOARD UPDATE

JULY 18, 2016

David Perry, PSB Chairman

PROPERTY STANDARDS BOARD

BOARD MEMBERS

Nicholas Oliver (District 1)

Rodney Blount (District 2)

Jason Curtis (District 3)

David Perry, Chair (District 4)

Noelia Garcia (District 5)

Douglas Williams, Vice Chair (District 6)

Vacant (District 7)

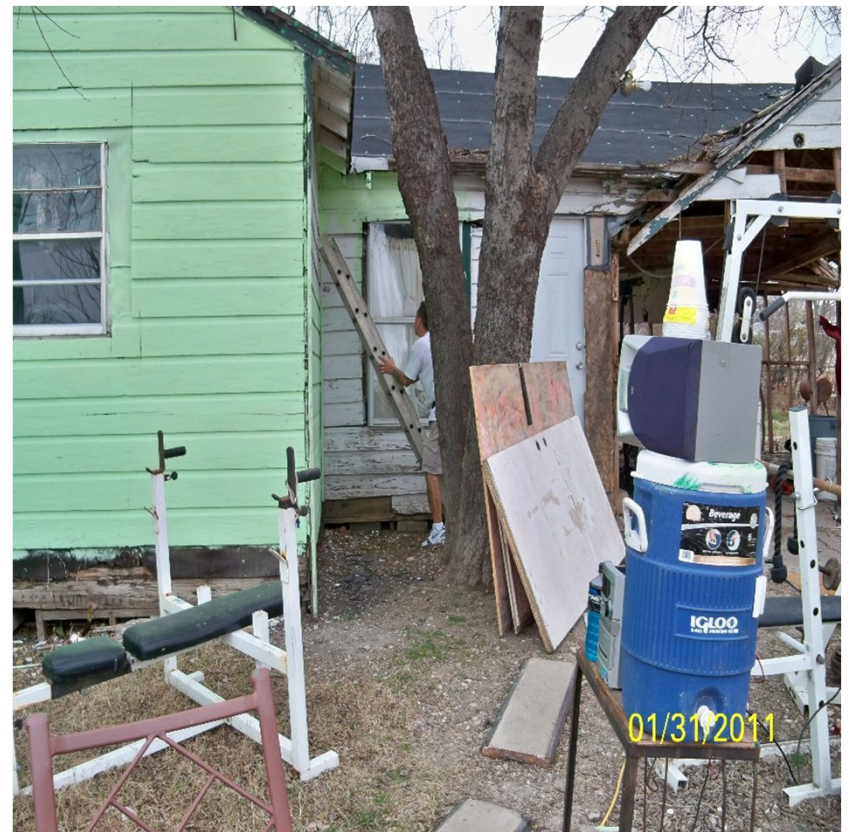
Michael Francis (District 8)

Albert Kraft (Mayor At Large)

PROPERTY STANDARDS BOARD

The Property Standards Board is a judicial board that hears testimony on substandard properties.

The Board has the authority to order the vacation and relocation of occupants; order demolition; and may assess civil penalties up to \$1000/day on commercial or multi-family properties and \$100/day on residential properties



PROPERTY STANDARDS BOARD

City of Dallas vs. Stewart

- Texas Supreme Court ruled Dallas improperly took down a house ordered demolished through their Building Standards Board.
- Garland suspended the use of the Property Standards Board from 2012-2014 until the legal case was settled.
- Resumed hearings in late 2014.



PROPERTY STANDARDS BOARD

Three Hearings conducted since the Property Standards Board resumed deliberations:

September, 25, 2014 (3 cases heard)

July 16, 2015 (4 cases heard)

November 12, 2015 (4 cases heard)

July 21, 2016 (4 cases scheduled)



PROPERTY STANDARDS BOARD

September 25, 2014 PSB Docket

Substandard Properties	PSB Order	Current Status
1121 Sam Houston Dr.	\$100/day civil penalties Demolition if not repaired	Resident complied. Penalties paid.
734 Morris Dr.	\$100/day civil penalties Demolition if not repaired	Owner demolished.
609 Glenfield Dr.	\$100/day civil penalties Demolition if not repaired	Property sold. Repairs made. Penalties paid.

PROPERTY STANDARDS BOARD

July 16, 2015 PSB Docket

Substandard Properties	PSB Order	Current Status
1018 E. Centerville Rd.	\$100/day civil penalties Demolition if not repaired	Demolished by City of Garland.
139 Sendero Dr.	\$100/day civil penalties Demolition if not repaired	Demolished by City of Garland.
3509 Ridgedale Dr.	\$100/day civil penalties Demolition if not repaired	Property sold; new owner making repairs. No penalties accrued.
2836 S Glenbrook Dr.	\$100/day civil penalties Demolition if not repaired	Under repair. Civil penalties accruing.

PROPERTY STANDARDS BOARD

November 12, 2015 PSB Docket

Substandard Properties	PSB Order	Current Status
1117 Richard Dr.	\$100/day civil penalties Demolition if not repaired	New owner; under repair. Civil penalties accruing.
314 N Yale Dr.	\$100/day civil penalties Demolition if not repaired	Resident complied.
5425 Robin Rd.	\$50/day civil penalties	Resident complied.
3026 Honeysuckle Dr.	\$100/day civil penalties Demolition if not repaired	City of Garland demolition pending. Completing bid process.



GARLAND



GARLAND
CITY COUNCIL ITEM SUMMARY SHEET

City Council Work Session Agenda

Work Session Item 2. c.

Meeting Date: July 18, 2016

Item Title: Verizon to Frontier Communications Transition Presentation

Submitted By: Michael Polocek, Engineering Director

Summary of Request/Problem

A representative from Frontier Communications will discuss and answer questions regarding the service outage issues during the company's transition from Verizon to Frontier Communications earlier this year.

Recommendation/Action Requested and Justification

Information only.



**GARLAND
CITY COUNCIL ITEM SUMMARY SHEET**

City Council Work Session Agenda

Work Session Item 2. d.

Meeting Date: July 18, 2016

Item Title: Ray Schwertner Presentation to Council

Submitted By: Rene Dowl, City Secretary

Summary of Request/Problem

This will be a verbal briefing, an update on regulatory, legislative, and project issues.

Recommendation/Action Requested and Justification

Information only.



**GARLAND
CITY COUNCIL ITEM SUMMARY SHEET**

City Council Work Session Agenda

Work Session Item 2. e.

Meeting Date: July 18, 2016

Item Title: Food Truck Regulations

Submitted By: Richard Briley, Managing Director

Summary of Request/Problem

At the request of Council Member Stephen W. Stanley and Deputy Mayor Pro Tem Lori Barnett Dodson, Health Department staff will provide information on food truck regulations.

Recommendation/Action Requested and Justification

Council discussion.

Attachments

Food Truck Presentation

Mobile Food Preparation Vehicles

July 18, 2016

Richard Briley, Managing Director of Health

Jason Chessher, Director of Health

Cindy Corley, Environmental Health Manager

Examples of Mobile Food Preparation Vehicles



Construction Requirements

- Essentially the same as a fast food restaurant
- All surfaces in the food preparation area must be stainless steel or similar easily cleanable material.
- Sufficient refrigeration, freezers and hot-holding devices are required to maintain foods at safe temperatures at all times.
- A three compartment sink and hand wash lavatory are required.
- Ventilation hoods with grease-intercepting filters are required over fryers, grills and griddles.
- Must have adequate electrical power and hot/cold running water.
- Must have a liquid waste tank capable of holding all waste water

Additional Requirements

- Must operate from a commissary on a daily basis for food, supplies and cleaning & servicing operations.
- Must obtain an annual permit from the Health Department (\$450), or a temporary permit (\$50) good for 5 days for a specific event.
- Must be operated by a registered manager. Other employees must have obtained food handler training.
- Must submit a schedule of stops on a quarterly basis for unannounced inspection purposes.
- May only operate on private property with written permission from the property owner.

Mobile Food Preparation Vehicles in Garland

- 15 trucks currently have an annual permit to operate.
- FY 2015/16 (Since October 1, 2015) 84 trucks have received temporary permits for food sales.









Questions?



**GARLAND
CITY COUNCIL ITEM SUMMARY SHEET**

City Council Work Session Agenda

Work Session Item 2. f.

Meeting Date: July 18, 2016

Item Title: Transportation Update

Submitted By: Paul Luedtke, Transportation Director

Summary of Request/Problem

Staff will provide an update of transportation activity regarding major transportation initiatives.

Recommendation/Action Requested and Justification

Information only.



GARLAND
CITY COUNCIL ITEM SUMMARY SHEET

City Council Work Session Agenda

Work Session Item 2. g.

Meeting Date: July 18, 2016

Item Title: TMPA Board Appointment Process

Submitted By: Rene Dowl, City Secretary

Summary of Request/Problem

The Texas Municipal Power Agency (TMPA) notified the City that James Ratliff's term as a member of the TMPA Board of Directors expires on July 18, 2016. The City will need to reappoint Mr. Ratliff or appoint a new member to serve for the two-year term of July 19, 2016 to July 18, 2018.

The position was posted for a 14-day period and no other candidates have applied.

Recommendation/Action Requested and Justification

Unless otherwise directed by Council, this item will be scheduled for formal consideration at the July 19, 2016 Regular Meeting.



**GARLAND
CITY COUNCIL ITEM SUMMARY SHEET**

City Council Work Session Agenda

Work Session Item 2. h.

Meeting Date: July 18, 2016

Item Title: Board and Commission Vacancies

Submitted By: Rene Dowl, City Secretary

Summary of Request/Problem

This is a verbal briefing to provide information on positions in each district that do not have appointments to Boards and Commissions.

Recommendation/Action Requested and Justification

Information only

Attachments

BC PPT 071816

Board and Commission Vacancies by District

District	Vacancy
District 3	Building and Fire Codes
District 5	Parks & Recreation
District 6	Community Multicultural Commission Senior Citizens Advisory Commission
District 7	Building and Fire Codes Property Standards

*Districts not listed have no vacancies

Our Mission

We are committed to preserve public trust, deliver quality services, promote economic growth, protect our community and enhance the quality of life for the good of our city and our future.



Building Fire, Electrical and Plumbing Boards

Building Fire	Electrical	Plumbing
District 3 - vacant District 7 - vacant	3 of 9 positions filled not by District	4 of 9 positions filled not by District



**GARLAND
CITY COUNCIL ITEM SUMMARY SHEET**

City Council Work Session Agenda

Work Session Item 2. i.

Meeting Date: July 18, 2016

Item Title: Review of Council Policy

Summary of Request/Problem

At the request of Council Member Stephen Stanley and Deputy Mayor Pro Tem Lori Barnett Dodson, Council is requested to forward to the Administrative Services Committee a review of Article II City Council Policies and Council Directives, Division 4 Standard Operating Procedures and Housekeeping Rules, Section 4 regarding equipment and supplies provided to the Council.

Recommendation/Action Requested and Justification

Council discussion.



GARLAND
CITY COUNCIL ITEM SUMMARY SHEET

City Council Work Session Agenda

Work Session Item 2. j.

Meeting Date: July 18, 2016

Item Title: Committee Appointments by Mayor

Summary of Request/Problem

Mayor Athas will be presenting his Council Committee Appointments and is requesting Council consensus.

Recommendation/Action Requested and Justification

Council consensus.
