PUBLIC NOTICE

AGENDA

LOCKHART CITY COUNCIL

November 6, 2025

CLARK LIBRARY ANNEX-COUNCIL CHAMBERS
217 SOUTH MAIN STREET, 3RD FLOOR
LOCKHART, TEXAS

6:30 P.M. **WORK SESSION (No Action)**

Work session will be held to receive briefings and to initially discuss all items contained on the Agenda posted for 7:30 p.m. Generally, this work session is to simplify issues as it relates to the agenda items. No vote will be taken on any issues discussed or reviewed during the work session except to the extent specifically authorized under the Texas Open Meetings Act.

DISCUSSION ONLY

A. Discuss authorizing a Texas A&M Forest Service Rural Volunteer Fire Department Assistance Program cost-share reimbursement grant for a small brush truck. **5-11**

B. Discussion regarding the purchase and replacement of three (3) circuit breakers at the Lockhart Substation as identified in the LCRA Five-Year System Study. **12-14**

C. Discussion regarding a Ground Lease Agreement with Lockhart Air Partners, LLC, for construction of a 10,000-square-foot hangar at the Lockhart Municipal Airport. **15-44**

D. Discuss request from Republic Services to extend the City's solid waste collection and disposal contract for an additional five-year term. **45-67**

E. Discussion regarding authorizing staff to release the Request for Proposal (RFP) for Solid Waste and Recycling Collection Services. **68-78**

F. Discuss Resolution 2025-37 requiring approval by the City Council of the City of Lockhart for the 2025 Certified Property Tax Roll. **79-88**

G. Discuss Resolution 2025-36, finding that Texas Gas Service Company's, a division of One Gas, Inc., Central-Gulf Service Area, statement of intent to increase rates filing within the City should be denied. **89-92**

H. Receive and discuss the 4th Quarter Fiscal Year 2025 Investment Report. **93-102**

I. Discuss rescheduling City Council meetings in 2026 due to conflicts with a city holiday or event. **103-104**

7:30 P.M. REGULAR MEETING

1. CALL TO ORDER
Mayor Lew White

2. INVOCATION, PLEDGE OF ALLEGIANCE
Invocation. Pledge of Allegiance to the United States and Texas flags.

3. PUBLIC COMMENT
The purpose of this item is to allow the public an opportunity to address the City Council on issues that are or are not on the agenda. No discussion can be carried out on the citizen/visitor comment about items not on the agenda. Comments are limited to three minutes per speaker.

4. PUBLIC HEARING/COUNCIL ACTION

A. Hold a PUBLIC HEARING and discussion and/or action on Ordinance 2025-26, for text amendments to Chapter 56, "Traffic & Vehicles" Article V, Section 56-313, "Residential Parking Permits," of the Lockhart Code of Ordinances to authorize creation of a residential parking permit area on Bowie Street from the intersection of S. Medina Street to the intersection of Travis Street between the hours of 8:00 a.m. and 5:00 p.m. on school days for Lockhart I.S.D. **105-109**

5. CONSENT AGENDA

A. Approve Resolution 2025-37 requiring approval by the City Council of the City of Lockhart for the 2025 Certified Property Tax Roll. **110-119**

B. Approve Resolution 2025-36, finding that Texas Gas Service Company's, a division of One Gas, Inc., Central-Gulf Service Area, statement of intent to increase rates filing within the City should be denied. **120-123**

C. Accept the 4th Quarter Fiscal Year 2025 Investment Report. **124-133**

6. DISCUSSION/ACTION ITEMS

A. Discussion and/or action to consider authorizing the approval of a Texas A&M Forest Service Rural Volunteer Fire Department Assistance Program cost-share reimbursement grant for a small brush truck. **134-140**

B. Discussion and/or action to authorize the purchase and replacement of three (3) circuit breakers at the Lockhart Substation as identified in the LCRA Five-Year System Study. **141-143**

C. Discussion and/or action regarding a Ground Lease Agreement with Lockhart Air Partners, LLC, for construction of a 10,000-square-foot hangar at the Lockhart Municipal Airport. **144-173**

D. Discussion and/or action to consider a request from Republic Services to extend the City's solid waste collection and disposal contract for an additional five-year term. **174-196**

E. Discussion and/or action regarding authorizing staff to release the Request for Proposal (RFP) for Solid Waste and Recycling Collection Services. **197-207**

F. Discussion and/or action to consider rescheduling City Council meetings in 2026 due to conflicts with a city holiday or event. **208-209**

7. CITY MANAGER'S REPORT, PRESENTATION AND POSSIBLE ACTION

- Update on the installation of the Gateway Monument Signs.
- Update on the Fire Station No. 1 renovation project.
- City offices will be closed for Veterans Day (Tuesday, November 11.)
- City Council scheduled to canvass the November 4th election results on November 17th.

8. COUNCIL AND STAFF COMMENTS - ITEMS OF COMMUNITY INTEREST

9. EXECUTIVE SESSION ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, SECTION 551.087 TO DELIBERATE OR FOR DISCUSSION REGARDING COMMERCIAL OR FINANCIAL INFORMATION THAT THE GOVERNMENTAL BODY HAS RECEIVED FROM BUSINESS PROSPECT(S) THAT THE GOVERNMENTAL BODY SEEKS TO HAVE LOCATE, STAY, OR EXPAND IN OR NEAR THE TERRITORY OF THE GOVERNMENTAL BODY AND WITH WHICH THE GOVERNMENTAL BODY IS CONDUCTING ECONOMIC DEVELOPMENT NEGOTIATIONS; OR TO DELIBERATE THE OFFER OF A FINANCIAL OR OTHER INCENTIVE TO A BUSINESS PROSPECT, AND EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, SECTION 551.071, PRIVATE CONSULTATION WITH ATTORNEY TO SEEK LEGAL ADVICE ABOUT MATTERS SUBJECT TO THE ATTORNEY CLIENT PRIVILEGE:

A. Discussion regarding proposed Development Agreement with Spencewood, Inc., Denise Melde, and Delan Decker for Hillwood Enterprise's proposed master planned community on approximately 1,110 acres to be located east of U.S. 183 and west of Dry Creek Road.

10. EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, SECTION 551.074 - TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE.

A. Conduct annual City Attorney's evaluation.

11. OPEN SESSION

A. Discussion and/or action regarding proposed Development Agreement with Spencewood, Inc., Denise Melde, and Delan Decker for Hillwood Enterprise's proposed master planned community on approximately 1,110 acres to be located east of U.S. 183 and west of Dry Creek Road.

B. Discussion and/or action regarding annual City Attorney's evaluation.

12. ADJOURNMENT

City Council shall have the right at anytime to seek legal advice in Executive Session from its Attorney on any agenda item, whether posted for Executive Session or not.

Posted on the bulletin board in the Municipal Building, 308 West San Antonio Street, Lockhart, Texas, on October 28, 2025 at 4 p.m.

City of Lockhart, Texas

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COUNCIL MEETING DATE: November 6, 2025

AGENDA ITEM CAPTION: Discuss authorizing a Texas A&M Forest Service Rural Volunteer Fire Department Assistance Program cost-share reimbursement grant for a small brush truck.

ORIGINATING DEPARTMENT AND CONTACT: Fire - Randy Jenkins

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: The Rural Volunteer Fire Department Assistance Program was established in 2001 (HB 2604) to assist small volunteer/combination fire departments with the purchase of equipment and/or training. During the 89th Texas Legislative session, lawmakers approved an appropriation of $192 million to address outstanding requests submitted to the program before November 7, 2024. Typically, it would take 10 years to obtain funding for brush trucks in the grant program.

The cost-share reimbursement grant is for 95% of the actual cost of a small brush truck, not to exceed $165,000. Once the brush truck is delivered to Lockhart, proof of purchase is provided, and the brush truck is inspected by the Texas A&M Forest Service, the reimbursement will occur. The small brush truck must meet the minimum standards outlined by the Texas A&M Forest Service and remain in firefighting service for a minimum of 10 years.

If the grant is approved, the specifications will be developed, an apparatus manufacturer will be selected, and the item will be brought back to City Council for purchase approval. The grant expires on October 14, 2026.

Texas A&M Forest Service grants for fire and rescue equipment, personal protection equipment (PPE), and training aids which Lockhart has applied for will be awarded across the next several months.

PROJECT SCHEDULE (if applicable): The brush truck grant expires on October 14, 2026. Due to the large number of brush trucks funded, the deadline may be extended.

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION: /

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approving the Texas A&M Forest Service Rural Volunteer Fire Department Assistance Program cost-share reimbursement grant for a small brush truck.

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LIST OF SUPPORTING DOCUMENTS: TFS Grant Guidelines

Truck Guidelines

Rural Volunteer Fire Department Assistance Program

All fire departments receiving cost-share funding for the purchase of a vehicle must comply with the following special requirements:

1. All department personnel must be trained in the proper operation and maintenance of trucks, pumps, systems, and related equipment. Personnel training must be documented.
2. All vehicles acquired under this program must be maintained in firefighting service for a period of 10 years from the reimbursement check date. If a cost-shared vehicle is sold before the end of its 10-year service life under this program, the grant recipient may be required to reimburse the program for 90% of the proceeds from the sale of the vehicle. The grant recipient must notify TFS in advance and must obtain clearance to sell or transfer a grant vehicle before the end of its 10-year service life. The Funding Committee may waive on a case-by-case basis the requirement that 90% of the sale proceeds be returned to the program. Recipients receiving transferred vehicles prior to the end of their 10 year service life shall be subject to the terms and conditions as described in this section.
3. All vehicles must be meet the minimum standards as described in the attachment “Minimum Standards and Specifications for Firefighting Vehicles.”
4. An Affidavit of Non-Collusion (page 2) must be completed, signed, and notarized by the seller of the vehicle. The Fire Department must submit the completed affidavit to the Texas A&M Forest Service before a grant reimbursement may be paid.
5. The purchase of pre-owned vehicles and equipment requires advance evaluation and approval by the Texas A&M Forest Service. An applicant must contact the Capacity Building Department before purchasing a used vehicle or used equipment. Failure to receive this special advance clearance may void your grant approval.
6. Vehicles purchased, paid in full, prior to the award date are ineligible for reimbursement under this program.

Responsibilities of the Fire Department Following Notice of Grant Approval:

1. Accept the award via FireConnect.
2. Purchase the approved item(s). *Remember to obtain special approval for a pre-owned vehicle.*
3. Submit for Reimbursement via FireConnect, and upload the following supporting documents:
    - Affidavit of Non-Collusion
    - Proof of Payment
        - Copies of Signed Check(s)
        - Credit Card Receipt(s)
        - Paid Vendor Invoice(s) showing the last 4 digits of credit card used
        - Bank/Credit Card Statement(s) Showing the Purchase
4. A member of our Field Staff must perform an inspection of the vehicle at the fire station before a grant reimbursement can be issued.
5. Grants for firefighting vehicles will expire **12 months** from the approval date. Extensions may be available upon request via FireConnect.

STATE OF

COUNTY OF

GENERAL AFFIDAVIT BEFORE NOTARY

AFFIDAVIT OF NON-COLLUSION

SELLER		PURCHASER	
Name:		Name:	
Address:		Address:	
Phone:		Phone:	

VEHICLE INFORMATION

Year: Make: Model:

VIN:

Date of Sale: Total Sale Price: $

I, , the undersigned, being the duly authorized agent of the Seller, , swear that the foregoing information is true and correct to the best of my knowledge, information, and belief, and that this document correctly states the total amount of consideration for the transfer of this vehicle. I further affirm that neither I nor the above business has been a party to any collusion with the Purchaser as to the Total Sale Price of the vehicle. I further affirm that the Total Sale Price is genuine, and is not a sham or collusive price made in the interest or on behalf of any person, and that the Seller has not directly or indirectly been induced or solicited to submit a sham Total Sale Price.

By: _____ Date: _____

(Signature)

_____

Title

STATE OF

COUNTY OF

Subscribed and sworn to before me this day of , 20 .

_____ _____

Signature of Notary Public My Commission Expires

Minimum Standards and Specs for Firefighting Vehicles

All vehicles funded under this program must be fire suppression vehicles and must meet the following minimum standards. These standards are developed to establish broad equipment categories for funding and review. They are not intended as "bid ready" equipment specifications. Departments are strongly encouraged to add capabilities and features required to meet local needs.

WEIGHT AND BALANCE

The fully loaded and equipped operating weight of the vehicle must not exceed the Gross Vehicle Weight Rating (GVWR) of the vehicle as determined by the manufacturer, nor the Gross Axle Weight Rating (GAWR) of the vehicle as determined by the manufacturer. The vehicle weight must be balanced so that the vehicle is easy to control. The vehicle center-of-gravity must be low enough to safely operate in curves and on side slopes. The vehicle must have effective brakes that can stop the vehicle without brake fade.

TANKS

- All vehicles must have a water tank with a minimum capacity of 200 gallons.
- All water tanks must be baffled.
- All water tanks constructed of mild steel must be protected from corrosion.

Small Brush Truck

Design Minimums

200 Gallon Water Tank
100 GPM Pump @ 100 psi
Ability to draft water at a minimum of 12 vertical feet
2.5" pump discharge
Minimum ¾ ton chassis

Ultra High Pressure Option

200 Gallon Water Tank
6 GPM Pump @ 1100 psi
Minimum ¾ ton chassis

Large Brush Truck (2.5/5 Ton Military)

Design Minimums

500 Gallon Water Tank
250 GPM Pump @ 40 psi
Ability to draft water a minimum of 12 vertical feet
2.5" pump discharge
Minimum 22,000 pound GVWR chassis

Ultra High Pressure Option

500 Gallon Water Tank
6 GPM Pump @ 1100 psi
Minimum 22,000 pound GVWR chassis

Water Tender

Design Minimums

1,000 Gallon Water Tank
250 GPM Pump @ 40 psi
Minimum Dump Valve of 4.5 inch (round or square)*
Ability to draft water a minimum of 12 vertical feet
2.5" pump discharge
Minimum 22,000 pound GVWR chassis

*In place of a gravity dump valve, a dedicated, hard-piped 3" or larger discharge may be used, supplied by a pump rated at a minimum of 750 GPM @ 40 psi.

OTHER INFORMATION

- All slippery surfaces where personnel will step must have skid plates or abrasive surfaces to prevent personnel from slipping under wet conditions.
- Vehicle must have back-up alarm.
- Vehicle must have illuminated pump controls.
- Vehicle must have vehicle lighting and markings as required by law.
- Pumper conversions are allowed, provided they still meet the design minimums.

Notice to Purchasers of New Fire Trucks

These guidelines apply for those purchasing a truck in Texas.

The sale and lease of new motor vehicles in Texas is regulated by the Texas Occupations Code, Title 14, Regulation of Motor Vehicles and Transportation, Chapter 2301, Sale or Lease of Motor Vehicles. The law is administered and enforced by the Texas Department of Transportation (TXDOT).

The law requires that vehicle manufacturers, converters, representatives, and franchised dealers be properly licensed and that they comply with certain standards of conduct.

According to TXDOT interpretations, a franchised dealer, and only a franchised dealer, is legally allowed to sell a new fire truck in Texas. This applies whether the truck offered for sale is a manufactured vehicle or a converted vehicle.

Manufactured Vehicles

A fire truck that meets or exceeds the legal definition of a “fire-fighting vehicle” is considered a manufactured product and the entity that builds it is considered a “manufacturer”.

Manufacturers cannot sell motor vehicles directly to consumers in Texas, including municipalities, and must have at least one franchised dealer located in the state in order to maintain their license.

Converted Vehicles

A fire truck that does not meet the legal definition of a “fire-fighting vehicle” is considered a converted product (conversion). It is a new motor vehicle chassis that has something substantial done to it prior to being sold to an end-user. The entity that builds it is considered a “converter”.

Neither converters nor their representatives are allowed to sell converted vehicles directly to consumers. A new fire truck that is considered a conversion may only be sold to an end-user, including a municipality, by a Texas dealer franchised and licensed to sell the make of the chassis of the converted product.

A licensed, franchised dealer must be listed as the seller or bidder of a new vehicle. This dealer must invoice the end-user for the entire purchase price of the vehicle including the conversion package, must obtain payment for the entire purchase price, and must perform the title work on the completed vehicle.

What Should A Fire Department Do?

1. Comply with the law:
    - Determine that the manufacturer or converter of a fire truck is properly licensed to do business in Texas.
    - Determine that the fire truck is to be sold to the end-user by a licensed franchised dealer.
2. Contact Texas Department of Motor Vehicles for information:
    Telephone: 1-888-368-4689
    Website: https://www.txdmv.gov/dealers

Texas A&M Forest Service is providing this notice for educational purposes only, in an effort to promote compliance with the law. The final authority for communication, interpretation, and enforcement resides with the Texas Department of Motor Vehicles. Buyers and sellers of new fire trucks are encouraged to contact TXDOT directly for clarification and guidance.

TEXAS A&M FOREST SERVICE

BEST PRACTICES FOR WORKING WITH FIRE TRUCK CONVERTERS

Research and get feedback from other fire departments that have done business with the vendor(s) you are considering

Have a detailed, written contract with a completion date

Be cautious of paying up front for incomplete work

Make sure the work you're requesting is within the vendor's area of expertise

City of Lockhart, Texas

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COUNCIL MEETING DATE: November 6, 2025

AGENDA ITEM CAPTION: Discussion regarding the purchase and replacement of three (3) circuit breakers at the Lockhart Substation as identified in the LCRA Five-Year System Study.

ORIGINATING DEPARTMENT AND CONTACT: Electric - Bobby Leos

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: As outlined in the LCRA Five-Year System Study, replacement of the existing Siemens SDV4-A circuit breakers at the Lockhart Substation is recommended due to reliability and maintenance issues. The existing breakers, installed in 2002, have experienced multiple unplanned trips and require manual intervention to restore power, leading to extended outage durations.

The proposed purchase and project will replace three (3) circuit breakers with new Siemens SDV7-SE 15.5kV-20kA units, which will improve system reliability, reduce maintenance frequency, and enhance overall substation performance. The upgrade aligns with the City's ongoing efforts to modernize electric infrastructure and maintain dependable service to residents and businesses.

The City's agreement with LCRA includes coordination of material procurement through Techline, Inc., which will supply the Siemens breakers under LCRA's cooperative purchasing program. The total cost for the material is $92,882.94, with an estimated lead time of 26–30 weeks from issuance of the purchase order. If approved, delivery is anticipated between May and June 2026, allowing for installation and testing prior to peak summer load demands.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required: 92,882.94
Account Number:
Funds Available: 92,882.94
Account Name:

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Electric Superintendent recommends

approval.

LIST OF SUPPORTING DOCUMENTS: Quote for Three (3) Circuit Breakers

TECHLINE Inc.
9609 Beck Circle • Austin, Texas 78758 • Phone: (512) 833-5401

City of Lockhart Breaker Quote 10-06-2025			Estimated Lead Time: 26-30 Weeks ARO		
Product	Description	UOM	Qty	Price	Extended Price
SDV7-SE 15.5kV-20kA-1200A	15.5kV, 1200A (ANSI), 20kA, 52 Peak kA	ea	3	$ 30,960.98	$ 92,882.94
Quote Expires: 10-27-2025		Subject to Prior Sale		Total:	$ 92,882.94

BREAKERS FOR SUBSTATION.

City of Lockhart, Texas

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COUNCIL MEETING DATE: November 6, 2025

AGENDA ITEM CAPTION: Discussion regarding a Ground Lease Agreement with Lockhart Air Partners, LLC, for construction of a 10,000-square-foot hangar at the Lockhart Municipal Airport.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: Lockhart Air Partners, LLC approached the City regarding development of lease space at the Lockhart Municipal Airport for the construction of a 10,000-square-foot hangar. The hangar would be located on the north side of the existing aircraft tie-down area and serve as the fixed-base operation (FBO) for Lockhart Air Partners. Planned uses include flight training services, aircraft rentals, and leasing of hangar space to pilots.

The proposed Ground Lease Agreement establishes a 30-year lease term, with two optional five-year extensions subject to City approval. The lessee agrees to pay an annual ground lease rate of $0.25 per square foot for the 10,000-square-foot area—totaling $2,500 per year—with a 10% escalation every five years. Construction must commence within one year of the agreement's effective date and be completed within one year thereafter, consistent with the City's adopted Airport Construction Standards. The lessee will also construct and maintain a paved aircraft ramp area at its sole expense.

Under the proposed ground lease, Lockhart Air Partners assumes full responsibility for all improvements, maintenance, and repairs within the leased premises, including the hangar, ramp area, utilities, landscaping, and erosion control. The lessee is required to maintain the site in a safe and orderly condition and comply with all applicable City, State, and FAA regulations. The City retains ownership of the underlying property and reserves rights of inspection, airspace use, and future utility easements but will not contribute to or fund any construction or maintenance costs associated with the private hangar improvements.

Lockhart Air Partners intends to expand its operations in future phases to include Jet A fuel sales and additional hangar development, further supporting general aviation growth at the Airport. The proposed lease terms align with those used by comparable general aviation facilities in Central Texas and reinforce the City's commitment to long-term airport utilization.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:

City of Lockhart, Texas

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Funds Available:
Account Name:

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: The Lockhart Airport Advisory Board and staff respectfully recommend approval of the ground lease with Lockhart Air Partners.

LIST OF SUPPORTING DOCUMENTS: Lockhart Air Partners Ground Lease, Lockhart Airport_Site Plan

HANGAR GROUND LEASE AGREEMENT

CITY OF LOCKHART, TEXAS

Ground Lessor

AND

LOCKHART AIR PARTNERS, LLC

Ground Lessee

LEASE AGREEMENT

THIS HANGAR GROUND LEASE ("Agreement") is effective this_____day of _____, 2025, by and between the CITY OF LOCKHART, TEXAS, a Texas home-rule municipality ("City" or "Lessor") and Lockhart Air Partners, LLC, a Texas limited liability company ("Lessee").

Preliminary Statements

A. The City owns and operates an airport known as the Lockhart Municipal Airport (50R) located in Caldwell County, Texas, including the real property upon which the same is located (the "Airport"); and

B. The City and Lessee desire to enter into a Lease Agreement ("Agreement") for the use and occupancy of certain areas at the Airport; and

C. The City desires to accommodate, promote and enhance general aviation at the Airport. Lessee desires assurance of the Airport's continued availability as a base for aircraft; and

D. The City and Lessee have agreed that Lessee will construct and occupy a hangar building or buildings, without cost to the City.

E. In consideration of the premises and of the rents, covenants and conditions herein contained, the City does hereby lease to Lessee the area(s) of the Airport described in Article 2 hereof (the "Leased Premises"), as follows:

ARTICLE 1: TERM AND OPTIONS

1.1 The initial term of this Agreement shall commence at 12:01 a.m. on _____, 2025, and expire at 11:59 p.m. on_____, 20_____, a duration of 30 years, (the "Initial Term") unless sooner terminated in accordance with this Agreement.

1.2 Subject to the conditions herein, Lessee shall have the option to extend the term of this Agreement for two additional periods of five years each, hereinafter the "Extended Term(s)," provided that at the time of such exercise and at all times before any Extended Term, Lessee is not in default in the payment of any rent or in default in any other provisions of this Agreement. Lessee may exercise each option by giving written notice of such extension to the City not more than 18 months, nor less than nine months, prior to the expiration of the Initial Term or the then-current Extended Term. The terms of this Agreement shall remain applicable during any Extended Term, and shall rent escalate throughout the Initial Term and any Extended Term as provided in Article 4.

ARTICLE 2: LEASED PREMISES

2.1 The Leased Premises consist of the parcel of land described in Exhibit "A." The Lessee acknowledges that: (1) the Lessor makes no representations or warranty regarding the suitability of the Leased Premises for the Lessee's intended purposes, or the presence or absence of environmental, geologic, or other site conditions that may affect the Lessee's use of the Leased Premises; (2) Lessee accepts full responsibility for determining the suitability of the Leased Premises for its intended purposes; (3) Lessee has inspected and performed all tests and investigations of the Leased Premises for its intended purposes; and (4) Lessee is accepting the Leased Premises "as is," in their present condition, and Lessee agrees to perform all preparation, repairs, remediation, and alteration activities necessary to use the Leased Premises for Lessee's intended purposes. Lessee expressly disclaims reliance upon any statement, oral or written, made by any agent of the City concerning the condition, suitability, or business prospects of the Leased Premises.

ARTICLE 3: USE OF LEASED PREMISES

3.1 Lessee shall use and occupy the Leased Premises for the following purposes and for no other purpose whatsoever unless approved in writing by City:

3.1.1 For the construction, installation, maintenance, and operation of a single ten thousand square foot (10,000 sf) hangar building (the "Hangar") to be used for the parking, storage, leasing, flight training, management, servicing, repair, maintenance, and modification, of aircraft. No sublease to an unaffiliated entity of Lessee shall be valid unless each such sublease is approved in writing by the City and conforms to all applicable laws and the Airport Rules and Minimum Standards then in effect (the "Rules" and "Minimum Standards"). Any such commercial use must also be consistent with the City of Lockhart, Texas, building, use and zoning regulations and requirements applicable to the Leased Premises. Lessee warrants that all such aircraft based at the Leased Premises shall comply with noise standards established under Part 36 of Title 14 of the Code of Federal Regulations, ("FAR 36") as amended from time to time. The Leased Premises shall not be used for residential purposes. Lessee shall comply with all Grant Assurances in favor of the State of Texas or the United States. All of Lessee's rights shall be subordinate to such Grant Assurances and other obligations to the United States or State of Texas.

3.1.1.a The construction timeline for the Hangar shall conform to the timeframes set forth in the Minimum Standards. Lessee must commence construction of the Hangar no later than one (1) year from the date of this Agreement. Construction shall be completed no later than one (1) year after construction commences. The City may grant extensions to these deadlines as the City deems necessary.

3.1.1.b Lessee shall be allowed to place a temporary building on the property once Hangar construction has commenced and until it has been completed. Construction for the Hangar shall not to exceed 12 months. The temporary building will be removed no later than 30 days after the Hangar has received a certificate of occupancy. The temporary building is for construction purposes only and shall not be used for business operations.

3.1.2 The City makes no representations, guarantees, or warranties that the Leased Premises may be lawfully used for the purposes set forth in this Article 3.1. Lessee shall have the sole responsibility of obtaining all applicable permits or other governmental approvals necessary to use the Leased Premises. This Agreement is expressly conditioned upon Lessee obtaining all such permits and approvals, and the failure of Lessee to obtain any such permits or approvals within six months following the commencement date set forth in Article 1.1. The failure of Lessee to maintain any such permits or approvals during the term of this Agreement shall result in termination of this Agreement pursuant to Article 18.

3.1.3 During the term of this Agreement, Lessee must regularly house at least one airworthy aircraft in the Hangar, use the Hangar for the primary purpose of aircraft storage, and the Hangar shall be used for Aeronautical Activities only, unless the prior written permission of the City is first obtained. The term "Aeronautical Activities" shall mean any activity or service that involves, makes possible, facilitates, is related to, assists in, or is required for the operation of aircraft, or which contributes to or is required for the safety of aircraft operations.

3.1.4 City reserves unto itself, its patrons, visitors, and other lessees and their patrons, visitors, and employees, the right of flight for the passage of aircraft above the surface of the Leased Premises, together with the right to cause in such air space such noise, dust, interference as may be inherent in the operation of aircraft now known or hereafter in use, including the right of using said air space for landing at, taking off from, or operating at or near the Airport.

3.1.5 This Agreement is subject to the right of the United States of America to have exclusive or non-exclusive use, control and possession, without charge, of the Airport or any portion thereof during periods of national emergency; and further, subject to the right of the F.A.A. and United States Government under such Agreement including the right to take a portion of the Airport premises for air traffic control activities, weather reporting activities or communication activities related to air traffic control.

ARTICLE 4: RENT AND OTHER CHARGES

4.1 Lessee agrees to pay to the City during the Initial Term hereof an annual base rent of ___\$0.25___ per square foot for the __10,000____ square feet of the Leased Premises (including the building footprint, ramp, and area surrounding the building footprint, as set forth in Exhibit A), for a total of ($2,500.00) Two Thousand Five Hundred Dollars and 00/100 per year, subject to adjustment pursuant to Section 4.2, below subject to final design permitted by the City. If Lessee exercises any option to extend the term of this Agreement under Section 1.2, above, annual rental per square foot for the first year of such Extended Term shall be the greater of (a) the rental determined under Section 4.2 below, as if the Initial Term had continued throughout such Extended Term, or (b) the then current market rates for hangar ground leases at comparable airports in Texas. City and Lessee agree to use their best efforts to agree on then current market rates, and execute a Lease Extension Agreement, within ninety (90) days after Lessee's written notice of election is received by the City. If the City and Lessee cannot agree upon the rental rates, the parties agree to submit the question to binding arbitration before a single arbitrator appointed by the chief judge of the District Courts of Caldwell County, Texas provided, however, that such rent shall never be lower than the rental which would be due by

application of subsection (a) above. Lessee and the City shall each pay fifty percent (50%) of the arbitrator cost. All sums due to the City under this Agreement shall comprise "Additional Rent."

4.2 Five years after the date of commencement of this Agreement, and on each successive five-year period thereafter during the remainder of the Initial Term, the annual rent shall be adjusted by a ten percent (10%) increase in the annual rent based off of the previous five year term in each successive increase.

4.3 The annual rent payable hereunder shall be paid on the anniversary of the commencement of this Agreement as set forth in Article 1.1. Payments due to the City under this Agreement shall be paid without offset of any kind, and Lessee waives all common law and statutory rights of offset. In addition to any other remedies provided in this Agreement, if any rental, fee, charge, or other item of Additional Rent set forth in this Agreement is not paid to the City within 15 days of the date due, Lessee agrees to pay a late charge of 10% for each such late payment, and default interest shall accrue on such payment from 30 days after the date the payment was due, at a rate of 12% per annum.

4.4 Lessee, as additional rent, shall complete construction of the Hangar and related Improvements on the Leased Premises, in accordance with plans and specifications approved by the City. The Hangar shall, collectively, be at least a total of 10,000 square feet in size and shall have a concrete or asphalt floor, with the Hangar to have at least one aircraft access door sized to accommodate an average private aircraft. Lessee shall use commercially reasonable and diligent efforts to complete construction of the Hangar and other such Improvements within the earlier of 12 months of the City's approval thereof.

4.5 Lessee, as additional rent, shall construct and maintain a paved aircraft ramp area on the Leased Premises (the "Ramp."). The Ramp must be designed and built to specifications, and for a minimum weight bearing capacity, established by the City, built to the full width of the Leased Premises, and to connect with adjacent taxiway, ramp, and/or auto parking areas, in order that a continuous and safe pavement section results. If access to the Leased Premises is not available on existing taxiways and/or roadways, then Lessee may also be required to construct the same pursuant to Article 7.1.1, below. It is the responsibility of Lessee to maintain the entire Ramp area, and all other pavement areas on the Leased Premises, in a safe manner, and clean of debris, and free from unsafe conditions for taxiing aircraft and Airport users. Lessee grants to users of the Airport the right to use aircraft Ramp areas on the Leased Premises from time to time for passage of aircraft on and near the adjacent taxiway. The construction time and default provisions of subsection 4.4 shall be applicable to the Ramp described in this subsection.

4.6 Subject to the provisions of Article 10, below, Lessee shall keep the Leased Premises, and the Hangar, Ramp, and any and all structures constructed by Lessee on the Leased Premises (collectively, the "Improvements"), free and clear of any liens and encumbrances, except as contemplated by Article 10, below, or unless expressly approved in writing by the City, and shall indemnify, hold harmless and defend the City from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of Lessee. If any lien is filed, Lessee shall do all acts necessary to discharge such lien within ten days of filing, or if Lessee desires to contest any lien, then Lessee shall deposit with the City such security as the City shall reasonably demand to insure the payment of the lien claim. If Lessee shall fail to pay any lien

claim when due or shall fail to deposit the security with the City, then the City shall have the right to expend all sums necessary to discharge the lien claim, and Lessee shall pay the City, as additional rental when the next rental payment is due, all sums expended by the City in discharging any lien, including reasonable attorneys' fees and costs, and interest at 12% on the sums expended by the City from the date of expenditure to the date of payment by Lessee.

4.7 Lessee agrees to comply with the Airport Rules and Minimum Standards adopted by the City for the Airport, as they now exist or as they may hereafter be adopted or amended. Fees due under such Minimum Standards or pursuant to any license issued for commercial activities conducted in whole or part on the Leased Premises, may be collected by the City as additional rent under this Agreement, in addition to any other remedies available to the City.

4.8 Holdover rent shall be due at the rate of 200%.

ARTICLE 5: ACCEPTANCE, CARE, MAINTENANCE, IMPROVEMENTS AND REPAIR

5.1 Lessee acknowledges that it has inspected the Leased Premises, conducted such studies and tests thereof (including environmental tests) as it deems necessary, and accepts possession of the Leased Premises "as is" in its present condition, and, subject to all limitations imposed upon the use thereof by the rules and regulations of the Federal Aviation Administration, the rules and regulations of the Airport, and by ordinances of the City, and admits its suitability and sufficiency. Except as may otherwise be provided for herein, the City shall not be required to maintain nor to make any improvements, repairs or restoration upon or to the Leased Premises or to any of the improvements presently located thereon or placed thereon by Lessee.

5.2 Lessee shall, throughout the term of this Agreement, assume the entire responsibility, cost, and expense for all repair and maintenance whatsoever on the Leased Premises and all Improvements thereon, and shall perform in a good workmanlike manner all necessary repairs, maintenance, whether ordinary or extraordinary, structural or otherwise. Additionally, Lessee, without limiting the generality hereof, shall:

5.2.1 Keep at all times, in a clean and orderly condition and appearance, the Leased Premises, all Improvements thereon and all of Lessee's fixtures, equipment and personal property which are located on any part of the Leased Premises. Lessee shall not park or leave, or allow to be parked, aircraft on the taxiways, ramps or pavement adjacent to any Hangar in a manner which unduly interferes with or obstructs access to other hangars or movement on adjacent taxiways.

5.2.2 Provide and maintain on the Leased Premises all obstruction lights and similar devices, and safety equipment required by law.

5.2.3 Take measures to prevent erosion, including without limitation the planting and replanting of grasses with respect to all portions of the Leased Premises not paved or built upon. Lessee shall maintain and replant any landscaped areas.

5.2.4 Be responsible for the maintenance and repair of all utility services lines placed on the Leased Premises and used by Lessee exclusively, including without limitation water

lines, gas lines, electrical power and telephone conduits and lines, sanitary sewers and storm sewers.

5.2.5 If Lessee discovers any hazardous material on the Leased Premises, it will promptly notify the City in writing.

5.2.6 If extraordinary repairs or maintenance to the Improvements are required during the last five years of the Initial Term or any Extended Term of this Agreement, Lessee may elect not to repair and/or maintain the Improvements, by giving the City written notice of its election. In such case, City shall have the option of requiring Lessee to either (a) clear the site, remove all debris and paving, stub up all utilities, and restore the site to its original cleared condition prior to commencement of construction; or (b) transfer title to the Improvements to the City, as is. Upon Lessee's election and compliance with this section, the City shall terminate this Agreement and relieve Lessee of all future rental obligations hereunder.

5.2.7 During the last five years of the Initial Term, and during the last 30 months of any Extended Term, the City shall have the right to conduct periodic detailed inspections of the Leased Premises not more often than once per year. If any maintenance deficiencies are discovered, the City may require Lessee to correct such deficiencies, whether ordinary or capital in nature. Capital items having a useful estimated life beyond the date on which Lessee actually vacates the Leased Premises shall be reimbursed by the City to the Lessee on an equitably pro-rated basis.

5.3 Plans and specifications for each of the Improvements and all repairs (other than emergency repairs), construction, alterations, modifications, additions or replacements to the Improvements, including those made to any paving upon the Leased Premises, excluding non-structural repairs, construction, alterations, modifications, additions or replacements, shall be submitted to the City for approval, which approval shall not be unreasonably denied, providing the plans and specifications comply with the provisions of this Agreement, the Airport's design standards, if any, as well as all applicable building, use and zoning regulations. Submittal of the above-described Plans and Specifications shall also include a site plan, drainage plan, and building plan for the initial project development that shall be reviewed pursuant to the City's standard review process as provided in the Unified Development Code. The site plan shall show the location of all Improvements on the Leased Premises, including the Hangars, pavements, utilities and location of the Hangars on the site. The drainage plan must show how drainage will be handled and be approved by the City prior to a building permit being issued by the City. Lessee shall reimburse the City for all costs incurred for providing a legal survey and legal description of the Leased Premises and for a proportional share of any costs to bring road access and utilities to the Leased Premises, should the City agree to do so. Before commencement of any construction of the Improvements, Lessee shall have the Leased Premises staked by a certified surveying company to ensure all Improvements are placed accurately on the Leased Premises. Within ninety (90) days of the certificate of occupancy being received, Lessee shall submit to the City a full set of as-built record drawings of the Improvements, sealed by a licensed architect or engineer, which among other things, depicts exact locations of all Improvements, including utilities, made on and/or off of the Leased Premises. Failure to submit such sealed plans shall constitute grounds for denial of access to the Leased Premises.

ARTICLE 6: ADDITIONAL OBLIGATIONS OF LESSEE

6.1 Lessee shall conduct its operations in an orderly and proper manner, considering the nature of such operations, so as not to unreasonably annoy, disturb, endanger or offend others.

6.2 Further, Lessee shall take all reasonable measures: \

1. To reduce to a practicable minimum vibrations tending to damage any equipment, structure, buildings or portions of buildings.\
2. Not to produce or allow to be produced on the Airport, through the operation of machinery or equipment, any electrical, electronic or other disturbances that interfere with the operation by the City or the Federal Aviation Administration of air navigational, communication or flight equipment on the Airport or on aircraft using the Airport, or with ground transportation communications.

6.3 Lessee shall comply with all federal, state and municipal laws, ordinances, rules, regulations and requirements, the Airport's Minimum Standards, Airport security rules and regulations, and other Airport Rules and regulations, as they now exist or may hereafter be amended or promulgated.

6.4 Lessee shall commit no nuisance, waste or injury on the Leased Premises, and shall not do, or permit to be done, anything that may result in the creation, commission or maintenance of such nuisance, waste or injury on the Leased Premises.

6.5 Lessee shall neither do nor permit anything which may interfere with the effectiveness or accessibility of the drainage system, sewerage system, fire protection system, sprinkler system, alarm system and fire hydrants and hoses, if any, installed or located on the Leased Premises.

6.6 Lessee shall take measures to ensure security in compliance with Federal Aviation Administration Regulations and the Airport Security Plan, as they now exist or may hereafter be amended or promulgated.

6.7 Lessee shall neither do nor permit any act or thing which will invalidate or conflict with any fire insurance policies or regulations applicable to the Leased Premises or other contiguous premises at the Airport.

6.8 Lessee shall not install, maintain, operate or permit the installation, maintenance or operation of any restaurant, kitchen, stand or other establishment of any type for the sale of food or of any vending machines or device designed to dispense or sell merchandise or services of any kind to the general public, unless all required development approvals and permits for that activity are first obtained from the City.

6.9 Except for uses permitted under Article 3 hereof to be performed by Lessee, Lessee shall not provide or allow to be provided aircraft maintenance work, flight instruction of any sort, air taxi, aircraft charter or aircraft leasing of any sort on the Leased Premises, for commercial purposes, without all required development approvals, and a License from the City if and as required by the Airport's Minimum Standards or Rules then in effect.

Lessee will conduct its operations in such a manner as to keep the noise produced by aircraft engines and component parts thereof, and any other noise, to a minimum, by such methods as are practicable, considering the extent and type of the operations of Lessee and the limitations of federal law. In addition, Lessee will employ the maximum amount of noise arresting and noise reducing devices that are available and economically practicable, considering the extent of their operations, but in no event less than those devices required by federal, state or local law. In its use of the Leased Premises, Lessee shall take all possible care, exercise caution, and use commercially reasonable efforts to minimize prop or jet blast interference and prevent jet blast damage to aircraft operating on taxiways and to buildings, structures and roadways, now located on or which in the future may be located on areas adjacent to the Leased Premises. If the City determines that Lessee has not curbed the prop or jet blast interference or damage, Lessee covenants to erect and maintain at its own expense such structure or structures as may be necessary to prevent prop or jet blast interference, subject, however, to the prior written approval of the City as to type, manner and method of construction.

6.10 Following the completion of construction of the Hangars, Lessee shall not store nor permit the storage of disabled aircraft or any equipment or materials outside of the Hangars constructed on the Leased Premises, without the written approval of the City. No aircraft that is unairworthy may remain outside of a hangar for more than 20 days. Concerning any aircraft that has remained outside the hangars on the Leased Premises for more than 20 days, upon request Lessee shall provide written certification from an FAA licensee holding Inspection Authorization stating such aircraft is airworthy. If Lessee fails to comply with this requirement after a written request by Lessee to comply, Lessor may (but is not required to) cause the removal of any such aircraft at Lessee’s expense by any means that Lessor determines, in its sole discretion, to be in Lessor's best interests.

6.11 On forms and at the frequency prescribed by the Airport Manager, and with respect to each aircraft stored on the Leased Premises, Lessee shall provide the City with the (a) make and model, (b) N-number, and (c) identity and address of the registered owner. This requirement shall apply to aircraft whether owned by Lessee or another party, and regardless of whether its storage is subject to the Minimum Standards or Rules.

6.12 Permits and Licenses**.** Lessee shall obtain and maintain in current status all permits and licenses required under any law or regulation. If Lessee receives notice from any governmental entity that Lessee lacks, or is in violation of, any such permit or license, Lessee shall provide City with timely written notice of the same.

6.13 Taxes and Liens. Lessee shall pay (before their respective due dates) all taxes, fees, assessments, and levies that relate to Lessee’s use, occupancy, or operations at the Leased Premises or the Airport, and all other obligations for which a lien may be created thereto (including, but not limited to, utility charges and work for any improvements).

6.14 Damage to Property and Notice of Harm. In addition to Lessee's indemnification obligations set forth in this Agreement, Lessee, at Lessee’s sole cost, shall repair or replace (to Lessor's reasonable satisfaction) any damaged property that belongs to Lessor or Lessor's other tenants to the extent that such damage arises from or relates to an act or omission of Lessee or Lessee’s Associates. Lessee shall promptly notify Lessor of any such property damage. If Lessee discovers any other potential claims or losses that may affect Lessor, Lessee shall promptly notify

Lessor of the same.

6.15 Security. Lessee shall comply with all security measures that Lessor, the United States Transportation Security Administration, or any other governmental entity having jurisdiction may require in connection with the Airport, including any access credential requirements, any decision to remove Lessee's access credentials, and any civil penalty obligations and other costs arising from a breach of security requirements caused or permitted by Lessee or Lessee's Associates. Lessee agrees that Airport access credentials are the property of Lessor and may be suspended or revoked by Lessor in its sole discretion at any time. Lessee shall pay all fees associated with such credentials, and Lessee shall immediately report to the Airport Manager any lost credentials or credentials that Lessee removes from any employee or any of Lessee's Associates. Lessee shall protect and preserve security at the Airport.

6.16 Removal of Disabled Aircraft. When consistent with Laws and Regulations, Lessee shall promptly remove or cause to be removed from any portion of the Airport not leased by Lessee the Aircraft or any other aircraft that Lessee owns or controls if it becomes unairworthy. Lessee may store such aircraft within Lessee's enclosed improvements.

ARTICLE 7: INGRESS AND EGRESS

7.1 Lessee shall have the right of ingress and egress between the Leased Premises and the public landing areas at the Airport by means of connecting taxiways; and between the Leased Premises and the entrance(s) to the Airport by means of connecting paved roads. Lessee shall have the right to use the public runways and public aviation aids at all times during which they are open to the public. Such rights of ingress, egress and use shall be in common with others having rights of use and passage thereon.

7.1.1 If, at the time of entering into this Agreement, access to the Leased Premises is not available on existing taxiways and/or roadways, then such taxiways and/or roadways necessary for Lessee's use and occupancy shall be constructed at the sole expense of Lessee, in accordance with construction specifications and design criteria approved by the City for the uses contemplated by Lessee. There shall be no consideration made on the part of the City for the cost of these improvements. Upon completion of construction, Lessee shall certify that the taxiways and/or roadways so constructed have been built to such specifications and criteria, and those portions of any such taxiways and/or roads located off the Leased Premises shall be conveyed and dedicated to the City, which shall accept them for maintenance. Upon such conveyance and dedication, Lessee shall warrant that the same shall be free of defects in materials and workmanship for a period of not less than two years after the date of such conveyance and dedication. Such warranty shall be backed by a warranty bond or another form of security instrument, satisfactory to the City in its sole discretion, in the amount of not less than 15% of the construction cost of the improvements warranted.

7.2 The use of any such roadways or taxiways shall be subject to the Rules and Minimum Standards of the Airport, which are now in effect or which may hereafter be promulgated, and subject to temporary closure; provided, however, that any closure shall be only for reasonably necessary or unique circumstances, and provided that 14 days prior written notice will be given to Lessee relevant to any closure, unless such closure is necessary due to emergency. Lessee, for itself and its authorized subtenants, hereby releases and discharges the

City, their officers, employees and agents, and all their respective successors and assigns, of and

from any and all claims, demands, or causes of action which Lessee or its authorized subtenants may now or at any time hereafter have against any of the foregoing, arising or alleged to arise out of the closing of any street, roadway or other area, provided that other reasonable means of access to the Leased Premises remain available to Lessee without cost to Lessee, unless otherwise mandated by emergency safety considerations or lawful exercise of the police power. Lessee shall not do or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the Leased Premises or in any streets or roadways on the Airport.

ARTICLE 8: CASUALTY INSURANCE AND DAMAGE TO THE LEASED PREMISES

8.1 Lessee, at its sole cost and expense, shall procure and maintain throughout the term of this Agreement insurance protection for all risk coverage on the Improvements which are part of the Leased Premises, to the extent of one hundred percent (100%) of the actual replacement cost thereof. Such insurance shall be written by insurers acceptable to the City. The insurance shall provide for 30 days notice of cancellation or material change, by certified mail, return receipt requested, to the City, Attention: Airport Manager.

8.1.1 The above-stated property insurance shall be for the benefit and to safeguard the interests of the Lessee and City, which shall at all times be named a co-insured.

8.1.2 If any losses are estimated to exceed one-third of the current value of the Leased Premises, Lessor shall adjust and settle such losses with the insurers. Lessee shall consult with the City and use its best efforts to obtain a settlement that covers the cost of repairing or rebuilding the Improvements.

8.1.3 Lessee shall provide certificates of insurance, in a form acceptable to the City and marked "premium paid," evidencing existence of all insurance required to be maintained prior to occupancy of the Improvements. Upon the failure of Lessee to maintain such insurance as above provided, the City, at its option, may obtain such insurance (which may be single-interest) and charge the cost to Lessee as Additional Rent, which shall be payable on demand, or may give notice of default hereunder pursuant to Article 18 hereof.

8.2 If the Improvements and any subsequent improvements, insurable or uninsurable, on the Leased Premises are damaged or destroyed to the extent that they are unusable by Lessee for the purposes for which they were used prior to such damage, or same are destroyed, Lessee shall promptly repair and reconstruct the Improvements substantially as they were immediately prior to such casualty or in a new or modified design, subject to the provisions of Article 5 hereof and applicable building codes and Airport design standards, if any, existing at the time of repairing or rebuilding. If the aforesaid damage or destruction occurs in the last five years of the Initial term or any option term of this Agreement, Lessee may elect not to repair and reconstruct the Improvements, subject to the following terms and conditions:

8.2.1 Lessee shall give the City written notice of its election not to repair and reconstruct the Improvements within ninety (90) days of the date upon which the Improvements were damaged or destroyed. Is such case, and City shall have the option of either:

8.2.1.1 Requiring Lessee to clear the site, remove all debris and paving, stub up all utilities, and restore the site to its original cleared condition prior to commencement of construction; in which case Lessee shall retain all insurance proceeds above those necessary to fund such site restoration; or

8.2.1.2 Taking title to the damaged Improvements, as is, in which case Lessee shall assign to and the City shall retain all insurance coverage and proceeds.

8.2.3 Upon Lessee's notice under Section 8.2.1 hereof and Lessee's compliance with the provisions of Sections 8.2.1.1 or 8.2.1.2 hereof, the City shall terminate this Agreement and relieve Lessee of all future rental obligations hereunder.

8.3 Lessee shall not violate, or permit to be violated, any of the conditions of any of the said policies; and shall perform and satisfy, or cause to be satisfied, the requirements of the companies writing such policies.

ARTICLE 9: LIABILITIES AND INDEMNITIES

9.1 The City shall not in any way be liable for any cost, liability, damage or injury, including cost of suit and expenses of legal services, claimed or recovered by any person or entity, or occurring on the Leased Premises, or the Airport, or as a result of any operations, works, acts or omissions performed on the Leased Premises, or the Airport, by Lessee, its agents, servants, employees or authorized tenants, or their guests or invitees. Lessee shall not in any way be liable for any cost, liability, damage or injury, including cost of suit and expenses of legal services, claimed or recovered by any person or entity, or occurring on the Leased Premises, or the Airport, or as a result of any operations, works, acts, or commission performed on the Leased Premises, or the Airport, solely by the City, their agents, servants, employees or authorized tenants, or their guests or invitees. In this regard, LESSEE expressly releases the City and each of its agents from their own negligence, gross negligence, or other liability.

9.2 Lessee agrees to indemnify, save and hold harmless, the City, their officers, agents, servants and employees, of and from any and all costs, liability, damage and expense, including costs of suit and reasonable expenses of legal services, claimed or recovered, justly or unjustly, falsely, fraudulently or frivolously, by any person, firm or corporation by reason of injury to, or death of, any person or persons, including City personnel, and damage to, destruction or loss of use of any property, including City property, directly or indirectly arising from, or resulting from, any operations, works, acts or omissions of Lessee, its agents, servants, employees, contractors, or authorized tenants. Upon the filing with the City by anyone of a claim for damages arising out of incidents for

which Lessee herein agrees to indemnify and hold the City harmless, the City shall notify Lessee of such claim and in the event that Lessee does not settle or compromise such claim, then Lessee shall undertake the legal defense of such claim on behalf of Lessee and the City. It is specifically agreed, however, that the City at its own cost and expense, may participate in the legal defense of any such claim. Any final judgment rendered against the City for any cause for which Lessee is liable hereunder shall be conclusive against Lessee as to liability and amount upon the expiration of the time for appeal.

9.3 Lessee shall procure and keep in force during the term of this Agreement policies of Comprehensive General Liability insurance insuring Lessee and the City, as co-insureds, against any liability for personal injury, bodily injury, death, or property damage arising out of the subject of this Agreement with a combined single limit of at least two million dollars. No such policies shall be cancelable or subject to reduction in coverage limits or other modification except after 30 days prior written notice to the City. The policies shall be for the mutual and joint benefit and protection of Lessee and the City, and such policies shall contain a provision that the City, although named as an insured, shall nevertheless be entitled to recovery under said policies for any loss occasioned to it, its servants, agents, citizens, and employees by reason of negligence of Lessee (i.e. a fellow-insured write-back endorsement). Lessee shall provide certificates of insurance, in a form acceptable to the City and marked "premium paid" evidencing existence of all insurance required to be maintained prior to the commencement of the Agreement.

9.4 Lessee represents that it is the owner of or fully authorized to use any and all services, processes, machines, articles, marks, names or slogans used by it in its operations under or in any way connected with this Agreement. Lessee agrees to save and hold the City, their officers, employees, agents and representatives free and harmless of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of Lessee under or in any way connected with this Agreement.

ARTICLE 10: LEASEHOLD MORTGAGES

10.1 If Lessee shall execute a Leasehold Mortgage of its leasehold estate to an entity which is not directly or indirectly owned or controlled by, or is not under common ownership or control with Lessee (collectively, an “Unaffiliated Entity” hereafter), and if the holder of such Leasehold Mortgage shall provide the City with notice of such Leasehold Mortgage together with a true copy of such Leasehold Mortgage and the name and address of the Mortgagee, then following receipt of such notice by the City, the provisions of this Article 10 shall apply in respect to such Leasehold Mortgage.

10.2 The term "Leasehold Mortgage" as used in this Agreement shall include, but not be limited to, a mortgage, a deed of trust, a deed to secure debt, or other security instrument by which Lessee's leasehold estate is mortgaged, conveyed, assigned, or otherwise transferred, to secure a debt or other obligation, in connection with the construction contemplated by Article 4 above.

10.3 The City, upon providing Lessee any notice of default under this Agreement or termination of this Agreement, shall at the same time provide a copy of such notice to the Leasehold Mortgagee by first class U.S. mail at the address specified in the notice given pursuant to Section 10.1, above. Such Leasehold Mortgagee shall have the additional periods of time specified in Sections 10.4 hereof to remedy, commence remedying, or cause to be remedied the default or acts or omissions which are specified in any such notice. The City shall accept such performance by or at the instigation of such Leasehold Mortgagee as if the same had been done by Lessee.

10.4 Anything contained in this Agreement to the contrary notwithstanding, if any default shall occur which entitles the City to terminate this Agreement, the City shall have no right to terminate this Agreement unless, following the expiration of the period of time given Lessee to cure such default or the act or omission which gave rise to such default, the Leasehold Mortgagee is given an additional period of thirty (30) days to:

10.4.1 Notify the City of such Leasehold Mortgagee's desire to defeat such Termination Notice; and

10.4.2 Pay or cause to be paid all rent, additional rent, and other payments then due and in arrears as specified in the Termination Notice to such Leasehold Mortgagee and which may become due during such thirty (30) day period; and

10.4.3 Promptly commence and diligently cure all non-monetary defaults, but in no event shall the time for such cure exceed 90 days.

10.5 The making of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Agreement or of the leasehold estate hereby created, nor shall the Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Agreement or of the leasehold estate hereby created so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions of this Agreement. Any Leasehold Mortgagee who takes an instrument of assignment or transfer in lieu of the foreclosure of the Leasehold Mortgagee shall be deemed to be a permitted assignee or transferee, and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of Lessee to be performed hereunder from and after the date of such purchase and assignment, but only for so long as such purchaser or assignee is the owner of the leasehold estate. If the Leasehold Mortgagee or its designee shall become holder of the leasehold estate and if the Hangar and Improvements on the Leased Premises shall have been or become materially damaged on, before or after the date of such purchase and assignment, the Leasehold Mortgagee or its designee shall be obligated to repair, replace or reconstruct the building or other improvements.

10.6 Landlord Liens. Lessee hereby gives and grants to City a lien upon, and pledges as collateral to City in case of default, all, chattels and personal property of every kind and description now or hereafter to be placed, installed or stored by Lessee at the Airport. Lessee

agrees that in the event of any failure on the part of Lessee to comply with each and every one of the covenants and obligations hereof, or in the event of any default continuing for twenty days of any specified nature, after notification to Lessee by City in writing, City may take possession of and sell the same in any manner provided by law and may credit the net proceeds upon any indebtedness due or damage sustained by City, without prejudice to further claims thereafter to arise under the terms hereof. Any Leasehold Mortgage shall be subordinate to this contractual Landlord Lien and any statutory lien arising under the Texas Property Code, but shall be superior to the extent of such liens of any structures and fixtures on the Leased Premises.

ARTICLE 11: RULES AND REGULATIONS

Lessee acknowledges that the City has adopted rules and regulations (the "Rules") with respect to the occupancy and use of the Airport, and such Rules may be amended, supplemented or re-enacted from time to time by the City provided that such Rules apply generally to all similar occupants and users on the Airport. Lessee agrees to observe and obey any and all such Rules and all other federal, state and municipal rules, regulations and laws and to require its officers, agents, employees, subtenants, contractors, and suppliers, to observe and obey the same. In the event of a conflict between the provisions of Airport Rules and this Agreement, the more stringent provisions shall control. This provision will include compliance with any Airport Noise Abatement Plan that may hereafter be adopted. The City reserves the right to deny access to the Airport and its facilities to any person, firm or corporation that fails or refuses to obey and comply with such rules, regulations or laws

ARTICLE 12: SIGNS

Lessee shall have the right to install and maintain one sign on the Leased Premises identifying it and its operations. The subject matter, type, design, number, location and elevation of such signs, and whether lighted or unlighted, shall be subject to the City of Lockhart building, use, and zoning regulations and requirements applicable to signs as well as subject to any Airport design standards. No sign will be allowed that may be confusing to aircraft pilots or automobile drivers or other traffic.

ARTICLE 13: ASSIGNMENT AND SUBLEASE

The prior written consent of the City shall be required for any sale, transfer, assignment or sublease of this Agreement and of the leasehold estate hereby created to an unaffiliated entity. Additionally, such action shall be subject to a twenty percent (20%) transfer fee based on the lease amount due that year. Consent may be withheld by the City if (a) Lessee is in default of any of the terms or conditions of this Agreement, (b) the transferee or assignee does not deliver to the City its written agreement to be bound by all of the provisions of this Agreement in a form satisfactory to the City, or (c) the transferee or assignee does not submit proof of insurance as required at Articles 8 and 9. Lessee shall not subdivide or fractionalize either its ownership of the Improvements or leasehold interest in the Leased Premises. Any management agreement or other contract that purports to transfer the substantive economic or legal risks and benefits to a third party shall be deemed a de facto assignment, and shall be subject to the restrictions set forth in this Article 13.

ARTICLE 14: CONDEMNATION

14.1 If all or any portion of the Leased Premises is taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of appropriation, condemnation or eminent domain (or pursuant to a sale to such power or authority under the threat of condemnation or eminent domain), all rentals payable hereunder with respect to that portion of the Leased Premises taken shall no longer be payable, and the proceeds, if any, from such taking or sale shall be allocated between the City and Lessee in accordance with the applicable condemnation law, with Lessee being entitled to compensation for the fair market value of the leasehold interest, Improvements and personal property taken. If a portion of the Leased Premises is so taken or sold, and as a result thereof, the remaining part cannot reasonably be used to continue the authorized uses set forth in Article 3 hereof, then this Agreement shall terminate at Lessee's election, and Lessee's obligation to pay rent and perform the other conditions of the lease shall be deemed to have ceased as of the date of such taking or sale.

14.2 The City expressly reserves the right to grant or take easements on rights-of-way across the Leased Premises if it is determined to be in the best interest of the City to do so. If the City grant or take an easement or right-of-way across any of the Leased Premises, Lessee shall be entitled only to compensation for damages to all Improvements owned by Lessee destroyed or physically damaged thereby, but not to damages for loss of use of the Leased Premises itself. Damages to improvements shall be determined by the reduction in fair market value of the Improvements caused by said damage or cost of repair, whichever is less.

14.3 Lessee understands and agrees that the City have the right to take all or any portion of the Leased Premises, and any additions, alterations or improvements thereon, should the City, in their sole discretion, determine that said portion of the Leased Premises, and improvements thereon, are required for other Airport purposes, without initiating condemnation proceedings. If such action is taken, the City shall substitute comparable areas within the Airport, or any additions or extensions thereof, brought to the same level of improvement as the area taken. The City shall bear all expenses of bringing the substituted area to the same level of improvement to the area taken, and of moving Lessee's improvements, equipment, furniture and fixtures to the substituted area. If any of Lessee's improvements, equipment, furniture or fixtures cannot be relocated, the City shall replace, at their own expense, such non-relocatable improvements and other property with comparable property in the substituted area, and the City shall be deemed the owner of the non-relocated improvements and other property, free and clear of all claims of any interest or title therein by Lessee, any mortgagee, or any other third party whomsoever. It is the specific intent of this subparagraph that Lessee would be placed, to the extent possible, in the same position it would have been, had the City not substituted new premises for the Leased Premises; provided however, that the City shall not be obligated to reimburse Lessee for lost revenues or other costs due to such substitution. In the event that such substitution of area is demanded by the City, Lessee shall have the right and option to terminate this Agreement, prior to the City commencing the substitution, upon thirty (30) days prior written notice to City, in which event the City shall pay Lessee the fair market value of all

Improvements constructed on the Leased Premises pursuant to approval of the City. Nothing in this subparagraph shall be construed to limit the City' rights to condemn Lessee's leasehold rights and interests in the Leased Premises pursuant to state law.

ARTICLE 15: NON-DISCRIMINATION

15.1 Lessee, for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Leased Premises, for a purpose for which a United States government program or activity is extended, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in federally-assisted programs of the Department of Transportation- Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

15.2 Lessee, for itself, its personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

15.2.1 No person on the grounds of race, color, disability or national origin shall be excluded from participating in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises;

15.2.2 That in the construction of any Improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, disability or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination;

15.2.3 That Lessee shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in federally-assisted programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

15.3 In this connection, the City reserves the right to take whatever action they might be entitled by law to take in order to enforce this provision following the 60 days written notice to Lessee of any alleged violation. This provision is to be considered as a covenant on the part of Lessee, a breach of which, continuing after notice by the City to cease and desist and after a determination that a violation exists made in accordance with the procedures and appeals provided by law, will constitute a material breach of this Agreement and will entitle the City, at their option, to exercise its right of termination as provided for herein, or take any action that it deems necessary to enforce compliance herewith.

15.4 Lessee shall include the foregoing provisions in every agreement or concession pursuant to which any person or persons, other than Lessee, operates any facility at the Leased Premises providing service to the public and shall include thereon a provision granting the City a right to take such action as the United States may direct to enforce such covenant.

ARTICLE 16: GOVERNMENTAL REQUIREMENTS

16.1 Lessee shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over Lessee's operations at the Leased Premises which may be necessary for Lessee's operations on the Airport.

16.2 Lessee shall pay all taxes, license, certification, permits and examination fees and excise taxes which may be assessed, levied, exacted or imposed on the Leased Premises or operation hereunder or on the gross receipts or gross income to Lessee there from, and shall make all applications, reports and returns required in connection therewith.

16.3 Lessee shall pay all water, sewer, utility and other applicable use taxes and fees, arising from its occupancy and use of the Leased Premises and/or the Improvements thereon.

16.4 If the City is ever required to pay any of the foregoing, or is not paid any of the foregoing, then the City may collect such sums as additional rent.

ARTICLE 17: RIGHTS OF ENTRY RESERVED

17.1 The City, by its officers, employees, agents, representatives and contractors, shall have the right at all reasonable times to enter upon the Leased Premises and enter the Improvements for all purposes not inconsistent with this Agreement, including without limitation inspection and environmental testing, provided such action by the City does not unreasonably interfere with Lessee's use, occupancy or security requirements. Except when necessary for reasons of public safety or law enforcement, or for the protection of property, the City shall provide 72 hours written notice of its intent to inspect.

17.2 Without limiting the generality of the foregoing, the City, by its officers, employees, agents, representatives, contractors and furnishers of utilities and other services, shall have the right, at its own expense, to maintain existing and future Airport mechanical, electrical and other utility systems and to enter upon the easements in the Leased Premises to make such repairs, replacements or alterations as may be necessary or advisable, in the reasonable opinion of the City, and from time to time to construct or install over, in or under existing easements within the Leased Premises such systems or parts thereof and in connection with such maintenance use the Leased Premises existing easements for access to other parts of the Airport otherwise not conveniently accessible; provided, however, that in the exercise of such rights of access, repair, alteration or new construction, the City shall not install a utility under or through any building on the Leased Premises or unreasonably interfere with the actual use and occupancy of the Leased Premises by Lessee, all such utilities to be placed within existing easements, except as provided in Article 14. Reservation of the aforesaid right by the City shall not impose or be construed to impose upon the City any obligation to repair, replace

or alter any utility service lines now or hereafter located on the Leased Premises for the purpose of providing utility services only to the Leased Premises; provided, however, that if they repair, replace or alter any utility service lines now or hereafter located on the Leased Premises for the purpose of providing utility services to others, the City will restore the Leased Premises to their preexisting condition in a timely manner. Lessee will provide for the installation, maintenance and repair, at its own expense, of all service lines of utilities providing services only to the Leased Premises. City will repair, replace and maintain all other utility lines, at City' expense.

17.3 If any personal property of Lessee shall obstruct access of the City across the existing easements to any of the existing utility, mechanical, electrical and other systems, and thus shall interfere with the inspection, maintenance or repair of any such system pursuant to Section 17.2, Lessee shall move such property, as directed by the City or said utility company, upon reasonable notice by the City, in order that access may be had to the system or part thereof for inspection, maintenance or repair. If Lessee shall fail to so move such property after direction from the City or said utility company to do so, the City or the utility company may move it, and Lessee waives any claim against the City for damages as a result there from, except for claims for damages arising from the City' negligence.

ARTICLE 18: TERMINATION

18.1 Upon default by Lessee in the payment of rent, additional rent, or other sums due under this Agreement, the City shall give written notice to Lessee and each holder of a Leasehold Mortgage for which the City has been give notice under Section 10.1, of such default. If such default has not been cured by the 10th day following notice of default, the City may terminate this Agreement.

18.2 This Agreement shall terminate, at the option of the City with prompt written notice to Lessee and holder of a Leasehold Mortgage, upon the appointment of a receiver or trustee of all, or substantially all, of Lessee's assets by a court of competent jurisdiction. The term “trustee” shall not include a trustee appointed under Title 11 of the United States Code.

18.3 Upon the default by Lessee in the performance of any covenant or condition required to be performed by Lessee other than the payment of money, and the failure of Lessee, and each holder of a Leasehold Mortgage to remedy such default for a period of 30 days after the City sends written notice to remedy the same, unless more extensive notice is otherwise provided for in this Agreement, the City may, by written notice of cancellation to Lessee, and each such holder of a Leasehold Mortgage, terminate this Agreement.

18.4 Subject to Article 10 above, upon termination of this Agreement for any reason, all rights of Lessee, authorized tenants, and any other person in possession shall terminate, including all rights or alleged rights of creditors, trustees, assigns, and all others similarly so situated as to the Leased Premises. Except as may be expressly provided to the contrary elsewhere herein, upon termination of this Agreement for any reason, the Leased Premises and all Improvements located thereon, and all equipment, fixtures and other personal property therein, shall be and become the property of the City, free and clear of all encumbrances and all

claims of Lessee, its subtenants, creditors, trustees, assigns and all others, and the City shall have immediate right of possession of the Leased Premises and such Improvements.

18.5 Failure by the City or Lessee to take any authorized action upon default by Lessee of any of the terms, covenants or conditions required to be performed, kept and observed by Lessee shall not constitute a waiver of said default nor of any subsequent breach or default of any of the terms, covenants and conditions in this Agreement. Acceptance of rentals by the City from Lessee, or performance by the City under the terms hereof, for any period or periods after a default by Lessee of any of the terms, covenants and conditions herein shall not be deemed a waiver or create an estoppel of any right of the City to terminate this Agreement for any subsequent failure by Lessee to so perform this Agreement.

18.6 If Lessee ceases to conduct its authorized Aeronautical Activities on the Leased Premises for a period of 12 consecutive months, the City may terminate this Agreement by written notice to Lessee given at any time while such cessation continues, unless Lessee resumes such activities within 30 days following receipt of written notice from the City of such intent to terminate this Agreement. An unauthorized sublease or assignment of Lessee's rights herein shall constitute a cessation of aeronautical activities.

ARTICLE 19: SURRENDER AND RIGHT OF RE-ENTRY

19.1 Subject to Article 8.2 above, upon the expiration, cancellation or termination of this Agreement pursuant to any terms hereof, Lessee agrees peaceably to surrender up the Leased Premises to the City in the condition required by Article 30 below. Upon such expiration, cancellation or termination, the City may re-enter and repossess the Leased Premises together with all Improvements and additions thereto, or pursue any remedy permitted by law for the enforcement of any of the provisions of this Agreement, at the City's election.

19.2 If Lessee remains in possession of the Leased Premises after the expiration, cancellation or termination of this Agreement without written agreement with respect thereto, then Lessee shall be deemed to be occupying the Leased Premises as a tenant at- sufferance, subject to all of the conditions, provisions and obligations of this Agreement, but without any rights to extend the term of this Agreement. The City's acceptance of rent from Lessee in such event shall not alter the status of Lessee as a tenant at sufferance whose occupancy of the Leased Premises may be terminated by City at any time.

ARTICLE 20: SERVICES TO LESSEE

20.1 Except in cases of emergency, in which case no notice shall be required, City will endeavor to give not less than 14 days prior written notice to Lessee of any anticipated temporary Airport closure, for maintenance, expansion or otherwise. Notwithstanding the above, the City shall not be deemed to be in breach of any provision of this Article 20 in the event of a permanent closure of the Airport. Provided, however, that if such permanent closure is in connection with the construction of a new airport by the City, Lessee shall have the option to enter into a substitute hangar ground lease agreement with the City, for the use of a portion of

such new airport not smaller than the Leased Premises, under financial terms which are no less favorable than those set forth herein.

ARTICLE 21: SURVIVAL OF THE OBLIGATIONS OF LESSEE

21.1 If this Agreement shall have been terminated due to default by Lessee in accordance with notice of termination as provided in Article 18, all of the obligations of Lessee under this Agreement shall survive such termination, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to the City to the same extent, at the same time or times, and in the same manner as if no termination, re-entry, regaining or resumption of possession had taken place. The City may maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency less the proper discount, for the entire unexpired term of this Agreement.

21.2 The amount of damages for the period of time subsequent to termination (or re-entry, regaining or resumption of possession) on account of Lessee's rental obligations shall be the sum of the following:

21.2.1 The amount of the total of all installments of rents, less the installments thereof payable prior to the effective date of termination; and

21.2.2 An amount equal to all expenses incurred by the City and not reimbursed in connection with regaining possession, restoring the Leased Premises required by paragraph 19, above, acquiring a new lease for the Leased Premises, legal expenses (including, but not limited to, attorneys' fees) and putting the Leased Premises in order.

21.3 There shall be credited to the account of Lessee against its survived obligations hereunder, the amount actually received from any lessee, licensee, permittee, or other occupier in connection with the use of the said Leased Premises or portion thereof during the balance of the term of use and occupancy as the same is originally stated in this Agreement, and the market value of the occupancy of such portion of the Leased Premises as the City may themselves during such period actually use and occupy. No such use and occupancy shall be, or be construed to be, an acceptance of a surrender of the Leased Premises, nor shall such use and occupancy constitute a waiver of any rights of the City hereunder.

21.4 The provisions of this Article 21 shall not be applicable to termination of this Agreement pursuant to Section 3.1.2 or Section 4.4, or if expressly provided to the contrary elsewhere in this Agreement.

ARTICLE 22: USE SUBSEQUENT TO CANCELLATION OR TERMINATION

The City shall, upon termination or cancellation, or upon re-entry, regaining or resumption of possession, have the right to repair and to make structural or other changes in the Leased Premises, including changes which alter its character and the suitability thereof for the

purposes of Lessee under this Agreement, without affecting, altering or diminishing the obligations of Lessee hereunder, provided that any structural changes shall not be at Lessee's expense.

ARTICLE 23: NOTICES

23.1 Any notice, consent, approval or other communication given by either party to the other relating to this Agreement shall be in writing, and shall be delivered in person, sent by certified mail, return receipt requested, sent by reputable overnight courier, or sent by facsimile transmission (with evidence of such transmission received) to such other party at the respective addresses set forth below (or at such other address as may be designated from time to time by written notice given in the manner provided herein). Such notice shall, if hand delivered or personally served, be effective immediately upon receipt. If sent by certified mail, return receipt requested, such notice shall be deemed given on the third business day following deposit in the United States mail, postage prepaid and properly addressed; if delivered by overnight courier, notice shall be deemed effective on the first business day following deposit with such courier; and if delivered by facsimile, notice shall be deemed effective when received. Notice to the City is not effective unless sent concurrently to BOTH the City Attorney and the Airport Manager.

23.2 The notice addresses of the parties are as follows:

To the City:

Airport Manager
Lockhart Municipal Airport
_____
_____

Telephone: _____

with a copy to:
Messer Fort, PLLC
Attn: Brad Bullock, City Attorney for Lockhart
4201 W. Parmer Lane, Suite C-150
Austin, TX 78727
Telephone: 512-600-2308

To Lessee:

_____
_____
_____
_____

ARTICLE 24: INVALID PROVISIONS

The invalidity of any provisions, articles, paragraphs, portions or clauses of this Agreement shall have no effect upon the validity of any other part or portion hereof, so long as the remainder shall constitute an enforceable agreement. Furthermore, in lieu of such invalid provisions, articles, paragraphs, portions or clauses, there shall be added automatically as a part of this Agreement, a provision as similar in terms to such invalid provision as may be possible and be legal, valid and enforceable.

ARTICLE 25: MISCELLANEOUS PROVISIONS

25.1 Remedies Nonexclusive. All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of, or exclusive of, each other, or of any other remedy available to the City, or Lessee, at law or in equity, and the exercise of any remedy, or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy provided that the City' remedies in the event of default shall not exceed those set forth in this Agreement.

25.2 Individuals Not Liable. No director, officer, agent or employee of the City shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or of any supplement, modification or amendment to this Agreement because of any breach thereof, or because of his or their execution or attempted execution thereof.

25.3 Estoppel Certificate. At the request of Lessee in connection with an approved assignment of its interest in this Agreement, the City shall execute and deliver a written statement identifying itself as the Lessor under this Agreement and certifying such facts as may actually be true.

25.4 Recording of Lease. This Agreement shall be recorded by the City, and the costs of such recordation, and any closing costs associated with this Agreement, its execution and recordation, shall be billed to and paid by Lessee as additional rent.

25.5 General Provisions.

25.5.1 This Agreement shall be performable and enforceable in Caldwell County, Texas, and shall be construed in accordance with the laws of the State of Texas. Exclusive jurisdiction and venue for all disputes between the parties shall lie in the state courts located within Caldwell County, Texas. The parties waive right to trial by jury. The prevailing party in any dispute arising under this Agreement shall recover its costs, all expenses, and attorney fees.

25.5.2 This Agreement is made for the sole and exclusive benefit of the City and Lessee, their successors and assigns, and is not made for the benefit of any third party.

25.5.3 All oral and written communications between agents of the parties preceding this Agreement, are deemed to be merged and integrated into this document, and the parties disclaim reliance upon any such communications.

ARTICLE 26: SUBORDINATION CLAUSES

26.1 This Agreement is subject and subordinate to the following:

26.1.1 The City reserves the right to develop and improve the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance by or on behalf of Lessee, provided Lessee is not deprived of the use or access to the Leased Premises or any of Lessee's rights under this Agreement and unless said activities by the City shall result in the loss of convenient access to the Leased Premises by motor vehicles and/or aircraft owned or operated by Lessee or Lessee's assigns, subtenants, renters, agents, employees or invitees.

26.1.2 The City reserves the right to take any action it considers necessary to protect the aerial approaches to the Airport against obstruction, together with the right to prevent Lessee from erecting or permitting any building or other structure to be erected on the Airport which would limit the usefulness of the Airport or constitute a hazard to aircraft.

26.1.3 This Agreement is and shall be subordinate to the provision of existing and future agreements between the City and the United States or the State of Texas relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the obtaining or expenditure of federal funds, services, or property for the benefit of the Airport.

26.1.4 During national emergency, the City shall have the right to lease all or any part of the landing area or of the airport to the United States or Texas National Guard for military use, and if any such lease is executed, the provisions of this Agreement insofar as they may be inconsistent with the provisions of such lease to the government, shall be suspended, but such suspension shall not extend the term of this Agreement. Abatement of rentals shall be reasonably determined by the City and Lessee in proportion to the degree of interference with Lessee's use of the Leased Premises.

26.1.5 Except to the extent required for the performance of any obligations of Lessee hereunder, nothing contained in this Agreement shall grant to Lessee any rights whatsoever in the airspace above the Leased Premises other than those reasonably necessary to Lessee's enjoyment of the Leased Premises and City’s Airport facilities and which are consistent with Federal Aviation Administration rules, regulations and orders currently or subsequently effective. Further, Lessee's rights in airspace above the Leased Premises and the Airport and the Airport facilities shall be not less than the rights therein by other users of the Airport and Airport facilities.

ARTICLE 27: QUIET ENJOYMENT

The City covenants and warrants that it is the owner of the Leased Premises and that Lessee upon payment of rentals herein provided for and performance of provisions on its part to be performed, shall and may peacefully possess and enjoy the Leased Premises during the term hereof and any extensions hereof without any interruption or disturbance.

ARTICLE 28: ENTIRE AGREEMENT AND AMENDMENTS

This Agreement constitutes the entire agreement of the parties hereto and may be changed, modified, discharged or extended by written instrument duly executed by the City and Lessee. The parties agree that no representations or warranties shall be binding upon the City or Lessee unless expressed in writing.

ARTICLE 29: REQUIREMENTS FOR CONDOMINIUMIZATION

This Agreement does not authorize Lessee to create either a common interest community or hangar condominiums on the Leased Premises. If Lessee desires to create a common interest community or hangar condominiums on the Leased Premises, a written amendment to this Agreement shall be required, containing such additional terms as the City may reasonably require, including but not necessarily limited to terms necessary for compliance with the Texas law.

ARTICLE 30: RETURN CONDITION OF THE LEASED PREMISES

At the expiration or termination of the Lease or any renewal term, Lessee shall surrender promptly the leased premises and all structures in the same condition as when received or constructed, ordinary wear and tear excepted, except to the extent caused by fire or Act of God for which the Lessor has been previously compensated.

ARTICLE 31: HAZARDOUS MATERIALS

31.1 Tenant shall not cause or permit any Hazardous Materials to be used, produced, stored, transported, brought upon, or released on, under, or about the Premises or the Airport by Tenant or Tenant's Associates in violation of applicable federal, state, or local environmental laws, regulations, and ordinances ("Environmental Laws"). Tenant is responsible for any such violation as provided in this Agreement, and shall fully indemnify and hold harmless the City from all fees, fines, costs and damages related in any manner to any release of Hazardous Material or legal violation.

31.2 Tenant agrees that in the event of a release or threat of release of any Hazardous Material by Tenant at the Airport, Tenant shall provide Lessor with prompt notice of the same. Tenant shall respond to any such release or threat of release in accordance with applicable Laws and Regulations. If Lessor has reasonable cause to believe that any such release or threat of release has occurred, Lessor may request, in writing, that Tenant conduct reasonable testing and analysis (using qualified independent experts acceptable to Lessor) to show that Tenant is complying with applicable Environmental Laws.

Lessor may conduct the same at Tenant's expense if Tenant fails to respond in a reasonable manner. Tenant shall cease any or all of Tenant's activities as Lessor determines necessary, in its sole and absolute discretion, in connection with any investigation, cure, or remediation. If Tenant violates any Environmental Laws at the Airport (whether due to the release of a Hazardous Material or otherwise), Tenant, at Tenant's expense, shall have the following obligations, which shall survive any expiration or termination of this Agreement: (i) promptly remediate such violation in compliance with applicable Environmental Laws; (ii) submit to Lessor a written remediation plan, and Lessor reserves the right to approve such plan (which approval shall not be unreasonably withheld) and to review and inspect all work; (iii) work with Lessor and other governmental authorities having jurisdiction in connection with any violation; and (iv) promptly provide to Lessor copies of all documents pertaining to any environmental concern that are not subject to Tenant's attorney-client privilege.

31.3 To the extent that Tenant is a co-permittee with Lessor in connection with any permit relating to the environment at the Airport, or to the extent that any of Tenant's operations in connection with this Agreement or otherwise may impact Lessor's compliance with any such permit, Tenant shall work cooperatively with Lessor and other tenants and take all actions necessary to ensure permit compliance, and minimize the cost of such compliance, for the benefit of Airport operations.

31.4 Upon any expiration or termination of this Agreement, and upon any change in possession of the Premises authorized by Lessor, Tenant shall demonstrate to Lessor's reasonable satisfaction that Tenant has removed any Hazardous Materials and is in compliance with applicable Environmental Laws. Such demonstration may include, but is not limited to, independent analysis and testing to the extent that facts and circumstances warrant analysis and testing, such as evidence of past violations or specific uses of the premises. The obligations of this Article 31 shall survive any termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

Signatures to follow.

LESSOR:

CITY OF LOCKHART, TEXAS

_____
Lew White, Mayor

ATTEST:

_____
City Secretary

APPROVED AS TO FORM:

_____
City Attorney

LESSEE:

LOCKHART AIR PARTNERS, LLC

By: _____
Name, Title

By: _____
Name, Title

PLAN NORTH

1 SITE

SCALE: 1" = 60'-0"

LEVY
DYKEMA

600 CONGRESS AVENUE
SUITE 100
AUSTIN, TX 78701
(512) 343-6177
www.LevyDykema.com

PRELIMINARY

This document was issued on 12/13/2022, by Stephen Levy, Architect, State of Texas, #18122. Not for regulatory approval, permitting, or construction.

FIELD INSPECTION REQUIRED

Prior to performing any bidding, new construction, and / or repairs, General Contractor shall visit the site, inspect all existing conditions, and report any discrepancies to the Architect.

LOCKHART AIRPORT EXPANSION

223 AIRPORT
LOCKHART, TX 78644

#	DATE	ISSUE
	12/12/2022	FEASIBILITY

Project Number: L2299

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ARCHITECTURAL SITE PLAN

AS-1-01

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: November 6, 2025

AGENDA ITEM CAPTION: Discuss request from Republic Services to extend the City's solid waste collection and disposal contract for an additional five-year term.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Direction

BACKGROUND/SUMMARY/DISCUSSION: The City of Lockhart began contracting solid waste collection services on April 3, 1988, with Central Texas Refuse (CTR), now Republic Services. Since 1991, the contract with CTR has been amended or extended prior to its expiration. Solid waste franchises may be awarded granting exclusive rights to collect solid waste within city limits without requiring competitive bids.

The current solid waste contract began June 1, 2021, for a five-year term and provides the option for one five-year extension. Upon approving the 2021 agreement, City Council expressed its intent to seek competitive bids prior to expiration of the initial term on June 1, 2026.

On October 9, 2025, Republic Services submitted official written notice of its intent to extend the term of the Agreement for an additional five years, per Section VII.A (Term and Termination) of the contract. Under the agreement, the requesting party must provide 180 days' advance written notice before the expiration of the current term to be eligible for renewal. Once received, the responding party has 60 days to issue a written response approving, denying, or requesting amendments to the extension. If the City does not respond within 60 days, the agreement is automatically extended as provided.

Currently, the City is working with Burns & McDonnell, a solid waste consultant, to prepare a Request for Proposals (RFP) for solid waste services. The current schedule is to solicit proposals in November–December 2025 to allow selection of a service provider prior to the contract's June 1, 2026 expiration.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable):

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends that City Council consider a motion to either (1) approve the five-year contract extension with Republic Services, (2) deny the extension and proceed with the competitive RFP process, or (3) direct staff to negotiate amended terms for future Council consideration.

LIST OF SUPPORTING DOCUMENTS: Republic Services - Request to Extend Existing Contract, 2021 Central Texas Refuse Contract

REPUBLIC SERVICES

Sustainability in Action

October 9, 2025

CONFIDENTIAL AND PROPRIETARY

Joseph Resendez
City Manager,
City of Lockhart
308 W. San Antonio St.
Lockhart, TX 78644

Dear Joseph,

Thank you for the trust the City of Lockhart has placed in our ability to provide your city's trash and recycling needs since 1988. Whether it was under the banner of Central Texas Refuse (CTR) or currently, Republic Services, our decades-long relationship has been mutually beneficial while striving to optimize our services to the residents.

Congratulations on your recent promotion to City Manager. We appreciate your willingness to work with our team throughout your tenure. We hope to continue to build on our partnership even as the City contemplates an RFP for the solid waste contract. We were pleased to see that many items identified at the recent workshop with Burns & McDonnell align with our discussions with the City and recommendations for enhancements to the service. We are still prepared to collaborate directly on these objectives in lieu of the RFP process.

Regardless of your decision we stand ready to continue to provide the City's residents with service that meets your expectations while we remain being a great community partner.

In addition, please let this letter serve as official notice of our intent to extend the Term of our Agreement expiring June 1, 2026, as per Section **VII. Term and Termination**, sub-section **A. Term.,** page 12 of the Agreement.

Kind Regards,

Alfonso Sifuentes
Republic Services

RECEIVED BY:
DATE: 10/9/25

SOLID WASTE COLLECTION, RECYCLING & DISPOSAL AGREEMENT

This Solid Waste Collection, Recycling, and Disposal Agreement ("Agreement") is entered into by and between the City of Lockhart, a Home Rule municipality located in Caldwell County, Texas (the "City"), and CENTRAL TEXAS REFUSE, LLC. (the "Contractor"), a Texas Limited Liability Company. Each party described above is referred to herein as a "Party" and, collectively, as the "Parties."

Recitals

WHEREAS, the City has an exclusive contract with the Contractor for (i) dumpster collection and disposal of commercial and industrial solid waste, (ii) residential and commercial hand collection and disposal of refuse, and (iii) curbside single stream recycling services, with a term expiring in September 2020 that has been extended by agreement of the Parties until May 31, 2021; and

WHEREAS, by execution of this Agreement, the Parties expressly intend the current contract be extended and replaced prior to the expiration of its term and disregarded for all purposes, other than enforcement of obligations incurred thereunder prior to the date of extension, and be fully replaced, superseded, and/or novated by this Agreement from the date of execution of this Agreement; and

WHEREAS, the Parties mutually desire to update the existing contract's initial term along with any future extension terms for the provision of recycling and solid waste disposal services pursuant to the terms and conditions set forth herein; and

WHEREAS, Contractor has agreed to provide exclusive recycling and solid waste disposal services to all commercial, industrial, and residential customers within the service area of the City, pursuant to the terms and conditions set forth herein; and

WHEREAS, the City has agreed to compensate Contractor for such services, pursuant to the terms and conditions set forth herein; and

WHEREAS, this Agreement is entered into by the City pursuant to the authority granted to the City by Section 30.002 of the Texas Water Code and Section 364.034 of the Texas Health and Safety Code;

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

I. DEFINITIONS

A. Unless otherwise provided herein, terms used in this Agreement shall have their plain and ordinary meaning. Terms given particular meaning, as used herein, are as follows:

1. Bags – means a non-dissolvable plastic sack with a capacity of up to approximately thirty-five (35) gallons designed or intended to store Municipal Solid Waste with sufficient wall strength to maintain physical integrity when lifted by the top. Total weight of the bag and its contents shall not exceed 30 lbs.

2. Bulky Waste – Bulky Waste Municipal Solid Waste composed of materials not easily containerized in a Cart such as, but not limited to, Brush, furniture, and large appliances. Bulk Waste shall include Municipal Solid Waste enclosed in bags. Such items shall not exceed 4 feet in length by 4 feet in Height and /or 40 pounds in weight.

3. Brush– means tree, shrub and brush trimmings securely tied together, forming an easily handled package not exceeding 4 feet in length or 40 pounds in weight.

4. Cart – means a poly waste receptacle or a recycling receptacle provided by Contractor with a capacity of ninety-five (95) gallons.

5. Commercial Unit – means any retail, commercial, industrial, manufacturing, or multifamily use or service. This definition and category include all units other than a "Residential Unit" as hereinafter defined.

6. Construction and Demolition Debris – means waste building materials resulting from construction remodeling, repair, or demolition operations.

7. Customer – means an occupant of a residential, commercial, or industrial unit or property within the City who generates Refuse and/or Recycling.

8. Disposal Site – means a refuse depository licensed by the State of Texas, including sanitary landfills, transfer stations, incinerators, and waste processing/separation centers licensed by the State of Texas to receive Refuse for processing or final disposal.

9. Force Majeure – means the following events or circumstances to the extent that they delay the City or Contractor from performing any of its obligations under this Agreement: acts of God, tornadoes, hurricanes, floods, sinkholes, fires, and explosions (except those caused by negligence of Contractor, its agents, and assigns), landslides, earthquakes, epidemics, quarantine, pestilence, and extremely abnormal and excessively inclement weather; acts of public enemy, acts of war, terrorism, effects of nuclear radiation, blockades, insurrection, riots, civil disturbances, or national or international calamities; and/or suspension, termination or interruption of utilities necessary to the operation of the recyclable material facility..

10. Hazardous Waste – means any chemical, compound, mixture, substance, or article designated by the United States Environmental Protection Agency or the Texas Commission on Environmental Quality to be "hazardous," as that term is defined by federal or state law.

11. Holiday – means Thanksgiving Day, Christmas Day or New Year's Day or any other dates as mutually agreed upon by City and Contractor.

12. Landfill – means a permitted sanitary landfill of the Contractor's selection.

13. Multi-Family – means all apartment projects and residential dwellings containing three or more units designed and intended for occupancy by a single family.

14. Prohibited / Excluded Items – means unacceptable items, including but not be limited to rocks, dirt, bricks, concrete, any item longer than 4 feet in length – 4 feet in height – or exceeding 40 lbs. in weight, car batteries, oil, oil filters or hazardous chemicals, which will not be collected during a curbside pickup.

15. Refuse – means all commercial, industrial, or residential municipal solid waste generated by a Customer.

16. Residential Unit – means a single-family dwelling and each unit of a multi-family dwelling within the incorporated limits of the City. A Residential Unit will be considered occupied for purposes of this Agreement if it receives water and wastewater utility services.

17. Recycling – means any process by which solid waste or materials that would otherwise become solid waste are separated, collected, and processed for reuse or returned to use or to market in the form of raw materials or products.

18. Rubbish - Rubbish means non-putrescible solid waste (excluding ashes), consisting of both combustible and noncombustible waste materials. Combustible rubbish includes paper, rags, cartons, wood, excelsior, furniture, rubber, plastics, brush, or similar materials; noncombustible rubbish includes glass, crockery, tin cans, aluminum cans, and similar materials that will not bum at ordinary incinerator temperatures (1,600 degrees Fahrenheit to 1,800 degrees Fahrenheit).

19. Recycling Container – means a ninety-five (95) gallon recycling cart.

20. Single Stream Recycling – shall mean recyclable materials that do not require the generator to subdivide the recyclable materials prior to collection. Eligible recyclable materials include:

a. Paper – shall mean kraft paper, corrugated containers that have liners of Kraft, jute, or test liner including dry food boxes, beer, and soda carriers, show boxes, old newspaper including slick paper inserts, other mixed paper including but not limited to junk mail, junk mail inserts, residential mixed paper, copier paper, office paper, formed bond, manifold business forms, writing paper, paper envelopes without plastic windows, manila folders, magazines, paperback books, and catalogs.

b. Plastic – shall mean any #1- #2 rigid plastic bottles, containers, jugs or jars that have been rinsed out. Examples include water and soda bottles, milk jugs and detergent bottles

c. Aluminum Cans - shall mean beverage containers made of aluminum

d. Steel and Tin Cans – shall mean food cans or bi-metal containers that have been rinsed out

e. Glass – will not be included.

II. SERVICES TO BE PEFORMED

A. The services specified in this Section II shall be provided to the City in exchange for the compensation specified in Section III, below.

1. Solid Waste Disposal.

(a) Contractor shall provide curbside collection of garbage (Utilizing One (1) 95-gallon cart) for Residential Units one time per week plus up to 7 additional items outside of the cart. Items outside of the cart may include Bags, Brush, and Bulky Waste. All items shall be placed at curbside by 7:00 a.m. on the designated collection day.

(b) The contractor shall provide for the special collection and hauling from Residential Units of Bulky Waste not eligible for curbside collection, for which a minimum charge of $10.00 per cubic yard as applicable shall be charged (minimum charge of $30.00 for collection of freezers and refrigerators). Construction Debris will be hauled at a rate to be determined by Contractor based upon Container size. Contractor and the Customer will negotiate total charge for such services prior to collection. Contractor will not provide for the special collection of hazardous waste.

The City shall, at the end of each month, furnish Contractor with a detailed unit count of all Customers located within the service area, along with any other information necessary for Contractor to identify all service locations.

Contractor shall collect Refuse from each Customer within the designated service area on mutually agreed upon days each week during the term of this Agreement. If the regular collection day falls on a Holiday, collection will occur on an alternate day of the week as noted by Contractor (to the City).

All Refuse collected by Contractor will be disposed of at a Disposal Site.

2. Single-Stream Recycling. Contractor shall also provide recycling services to all Subscription Customers within the service area utilizing One (1) 95-Gallon Cart. Such recycling services shall occur every other week (EOW) on a mutually agreed upon day or days of the week. Details and terms regarding recycling services and materials collected are included on the attached Exhibit "C" and are incorporated herein for all purposes.

3. Upon request from the City, Contractor shall provide a proposal for commercial and/or multi-family residential recycling in the City. In the event that City elects to implement commercial and/or multi-family residential recycling, this Agreement may be amended or an adjustment to rates, as described in Section III B 2, shall be implemented.

4. The Contractor shall transport all Program Recyclable Material collected pursuant to this Agreement to a proper MRF – Materials Recovery Facility. That facility will receive, sort, process, and market the recyclable materials that are of marketable quality. If contamination is present in the recycling cart, the cart will be tagged to notify the Customer because the materials were not collected.

   The recycling materials taken to Wilco Recycling or other contractor-designated facility that are of marketable quality will be marketed through existing national, regional, and local purchasing agreements arranged through Wilco Recycling or other contractor-designated facility. Due to transporting the collected recycling materials to a third-party facility, Contractor does not control the cost of the materials to be processed or marketed. Contractor does not guarantee the existence of a market for the materials at any time.

5. Receptacles to be Provided. Contractor shall provide one (1) 95-gallon Cart to each Customer for the collection of solid waste and shall also provide one (1) (95) gallon recycling Cart to each Customer that requests one for the collection of recycling materials. Contractor shall additionally provide dumpsters for the collection of multi-family, commercial, and industrial refuse and waste, to multi-family and the larger commercial and industrial units according to the terms and rates set forth herein as outlined in Exhibit "B". All receptacles will be in good condition, new or properly reconditioned, and Contractor shall replace any broken or damaged receptacles promptly upon request by the City. Based upon the information provided by the City pursuant to Section II.A.1,

above, Contractor shall provide Carts and recycling containers to all new Customers (and retrieve receptacles from all terminated Customers) no later than the next regular collection day following receipt of notice from the City. Additionally, Contractor shall notify the City of any Customers who have requested initiation or termination of solid waste or recycling service and are not reflected on the written lists provided by the City.

6. Placement of Receptacles. All Carts and Containers shall be unobstructed and readily accessible to Contractor's crew by 7:00 a.m. on collection day. Unless there are unique circumstances approved by Contractor, Carts and Containers shall be placed at the curbside adjoining that portion of the road or right-of-way for service locations agreed to by the City and Contractor. Additional Bags, Bulky Waste, or Brush shall be placed as close to the roadway as practicable or within five (5) feet of the roadway, without interfering with the Collection of the Cart or endangering the movement of vehicles or pedestrians. Following collection, Contractor shall place all emptied Carts and Containers upright and next to the curbside as close to the original placement as possible.

   When construction work is being performed in the right-of-way, Carts, Containers, Bags and Bundles shall be placed as close as practicable to an access point for Contractor's collection vehicle.

   Where any Customer is maintaining improper or inadequate refuse containers or is otherwise in violation of rules and requirements with respect to the location or content of refuse containers, Contractor may in its sole discretion refrain from collecting all or a portion of such refuse and shall not be deemed to be in default hereunder as a consequence of such non-collection. In such case, Contractor shall tag Non-compliant set outs and notify the City & the Customer within a reasonable time of the reason for such non-collection. Contractor shall resume collection once Customer eliminates the issue and conforms to all rules and requirements.

7. Large Debris Collection. Contractor shall provide, twice annually, at no additional charge, curbside collection of bulk garbage on a mutually agreed day, preferably on a Saturday. The City's customers will be notified in writing in advance of the bulk garbage collection date. Bulky items must be located at the curb area of each residence. Bulk garbage collection excludes construction or remodeling debris, dirt, rocks, bricks, concrete, tires, batteries, motor oil, cooking oil, waste generated by a private contractor or any materials or items deemed hazardous materials. Exhibit "C" attached hereto, and incorporated herein for all purposes, sets forth the details on all bulk debris collection service provided by Contractor.

8. Use of Automated Equipment. At the Contractor's sole discretion, the Contractor shall have the right to perform any obligations hereunder through

the use of semi- or fully automated equipment or a combination of either type of equipment. Should other equipment and/or technology become available, contractor shall have to right to utilize such equipment.

9. Contractor personnel. Contractor shall employ, train, and assign qualified persons to be in charge of its operations within City and at the site for disposal and recycling operations, and shall provide the name, office telephone number, mobile phone number, email address, and fax number of Contractor's representatives and key personnel to the City. Such records shall be updated as personnel or contact information changes.

10. Use of 130EP Landfill. Residential Unit Customers who provide a copy of their Lockhart utility bill shall be permitted to drop off items at 130EP at no additional charge. Such drop-off service will be available to Residential Unit Customers only (no commercial or industrial drop-off shall be permitted) and may be utilized unlimited times per year. Provided, however, Residential Unit Customers shall be limited to a total of 6 cubic yards of refuse per drop-off.

III. COMPENSATION

A. Billing. Contractor shall bill the City monthly, on or before the last day of each month, for all solid waste disposal and recycling services to be rendered by Contractor during the coming calendar month. The City shall pay Contractor within fifteen (15) days of its receipt of such invoice. Late payments shall bear interest at the rate of five percent (5%) per annum.

Contractor shall calculate the amount due for residential collection services each invoice by multiplying the Base Rate (as defined below for residential Collection and as outlined in Exhibit B for Commercial Units and Roll Off Services) by the number of Residential Units, Additional Carts, Senior Citizen, Disabled, Recycle Carts, and Commercial Units to be serviced. The number of Residential Units and Commercial Units to be serviced is indicated in Exhibit A and shall be amended by supplemental information supplied by the City at the end of each month, as required by Section II.A.1 above. The City and Contractor shall mutually agree on any such revised count, and Contractor's monthly invoices shall utilize the count derived from information supplied in the immediately preceding month.

Contractor shall also bill monthly for any services not included in the Base Rate. Contractor shall be entitled to payment for each invoice within fifteen (15) days of receipt by the City. Contractor shall be entitled to payment for each invoice regardless of whether or not the City collects payment from its Customers for services performed.

B. Base Rate. For collection, transportation and disposal of Refuse, Recycling Services, and for all other services set forth in this Agreement, other than services for which this Agreement provides an additional charge, the "Base Rate" shall be as set forth in

Exhibit "B" – Service Rates. The Base Rate shall include provision of receptacles as described in Section II.A.3, above.

1. Unless adjusted as provided herein, the Base Rate set forth above shall remain fixed for the First year of the term of this Agreement. Thereafter the Base Rate shall be adjusted annually by the amount of the Consumer Price Index—South Region United States ("CPI") change each year through expiration of the Term (each CPI adjustment to be based on the March CPI of the same year).

2. In addition to the above, the Contractor may petition the City for additional rate adjustments at reasonable times based on increases in cost of operations, caused by factors, such as revised laws, ordinances, regulations, and for other similar reasons. The Contractor's petition will specifically identify the reasons for the requested adjustment, and its impact upon the Contractor's cost of operations, in unit terms, with an explanation of the methodology used to calculate such impact. The City may request additional information it considers necessary to evaluate the requested adjustment. The City may grant such adjustments through amendments to the Agreement.

3. The total percentage increase for any given year shall not exceed 5% in such year.

4. Contractor shall provide written notice to the City of all such rate adjustments to the Base Rate not later than thirty (30) days prior to the effective date thereof, and all rate adjustments by Contractor shall be implemented effective June 1st of each year that the Agreement remains in effect. Each notice of adjustment shall include the appropriate data to support the proposed adjustment.

5. Contractor certifies that is shall maintain sufficient landfill capacity for the life of the Agreement, and a new landfill belonging to Contractor has or will soon become available within the County of Caldwell for the disposal of solid waste. Following commencement of use of that landfill for disposal of solid waste from City, the Contractor shall annually conduct an internal review and audit of current rates for services to be performed hereunder to identify any potential savings that may be realized by use of the new landfill. If potential savings are identified and such savings can be achieved by commercially reasonable means, the Contractor shall notify the City of a proposed adjustment to the Base Rate to reflect such savings. The City shall have the right to hire a disinterested, third party auditor to review the Contractor's internal audit, but the details of the Contractor's internal audit shall not be disclosed directly to the City or any other third parties and shall be deemed confidential and proprietary information belonging to the Contractor.

IV. CONTRACTOR OBLIGATIONS

A. Fee paid to City. Contractor shall pay a license, permit, or "franchise" fee, together with an administrative fee to the City during the term and any extended term of this Agreement equal to eight percent (8%) of the gross receipts for all collections for all residences, business, customers, and accounts within the City Service. Such fee shall be deducted by the City from payments paid to Contractor monthly.

B. In addition to other consideration contained herein, Contractor shall provide the following to City:

A. A yearly cash donation of $27,000.00 for City's discretion to use for public purposes.
B. Two annual City-Wide Clean Ups
C. All City of Lockhart facilities trash and recycling serviced at no charge to the City
D. Educational Program for training of faculty, staff, students and residents with K-12 in class curriculum
E. Annual tours of CTR landfill for the students of Lockhart ISD
F. Use of Training/Community Center at EP130 for City Functions and Chamber of Commerce Events

C. Vehicle and Property Condition. Contractor shall keep all vehicles utilized in the performance of its duties under the Agreement in proper operating condition. Contractor shall not operate vehicles that are leaking oil, hydraulic fluid or other substances or that are otherwise unsafe or in substantial disrepair. All vehicles will be properly and adequately covered, and no trash will be permitted to blow out of utilized vehicles.

D. Safety. All drivers utilized by Contractor for solid waste and recycling materials collection within the service area of the City shall be required to observe all safety laws, including without limitation, compliance with all speed limit and traffic control signs.

E. Supervision. Contractor shall provide adequate supervision to assure that all work will be done in accordance with the specifications and requirements of this Agreement and generally accepted solid waste disposal practices.

F. Performance Standards.

1. Collection areas shall be free of litter and debris within a ten-foot radius of Carts or Containers provided by Contractor. Provided, however, Contractor shall not be responsible for litter or debris caused or placed by Customers.

2. Contractor will undertake reasonable efforts to collect refuse and recycling materials regardless of barriers (e.g., blocked streets), except when the safety and health of Contractor's employees or the public may otherwise be negatively impacted.

3. Contractor will undertake reasonable efforts to maintain a consistent route schedule.

4. Contractor will avoid leaving loose trash during collection and will take reasonable precautions to prevent litter or debris resulting from its services.

5. Contractor will prohibit its drivers from using emergency brakes to stop a moving vehicle.

6. Contractor will maintain a 24-hour per day, seven day per week voice mail system to handle customer communications beyond regular business hours.

7. In the event of equipment breakdowns, Contractor will notify the City if services will be delayed or rescheduled for an alternate collection day.

8. Contractor shall take all necessary precautions to protect public and private property during the performance of this Agreement. Except for reasonable wear and tear, the Contractor shall repair or replace any private or public property which is damaged by the Contractor. If the Contractor fails to address the repair or replacement of damaged property within ten (10) days of written notification, the City may, but shall not be obligated to, repair or replace such damaged property, and the cost of doing so shall be deducted from payment to be made to the Contractor.

9. Contractor shall clean up any materials including leakage of fluids spilled from Contractor's vehicles by the Contractor, Contractor's vehicles, or Contractor's employees. During transport, all materials shall be contained, covered, and enclosed so that leaking, spilling, and blowing of materials does not occur. Contractor shall be responsible for the cleanup of any spillage or leakage caused by Contractor, Contractor's vehicles, or the Contractor's employees. with this Agreement.

10. The Contractor shall maintain collection equipment that is owned by the Contractor as to prevent the odors. The Contractor shall routinely clean collection equipment.

11. Customer Relations. Customer complaints, such as calls for missed pick-ups, shall be first directed to Contractor for resolution.

12. Penalty for Non-Performance. In the event the Contractor fails to perform a material obligation hereunder and further fails to cure such material default within ten (10) days following receipt of written notice and demand for cure by the City, the City shall have the right to impose a penalty of $150.00 per day until such time as the Contractor cures the default.

V. COMPLIANCE WITH APPLICABLE LAWS

Contractor will comply with all applicable federal, state, county, and city laws, ordinances, and regulations and any and all policies and guidelines of Contractor. Contractor will also obtain any licenses and permits required in performing all services rendered by Contractor under this Agreement.

VI. PERFORMANCE BOND, INSURANCE, AND INDEMNITY

A. Performance Bond. Contractor agrees that after the execution of this Agreement and one (1) month or more prior to the commencement of the work, Contractor shall make, execute, and deliver to the City a good and sufficient Performance Bond in a form approved by the City, to secure the full, complete, and faithful performance of the terms and conditions herein. Such Performance Bond shall be in the amount of one million five hundred thousand dollars ($1,500,000.00) and shall be renewed each year thereafter throughout the term of the Contract and any renewal periods. Contractor shall ensure the Performance Bond shall be signed by the President or General Officer of the Contractor, together with the signature of the corporate secretary and the corporate seal. The surety shall be a surety company duly authorized to do business in the State of Texas; having an "A" or better rating by A. M. Best or Standard and Poor's; included on the list of surety companies approved by the Treasurer of the United States of America; and acceptable to the City.

B. Insurance Requirements. Contractor shall secure and maintain in effect insurance to protect Contractor, its subcontractors, employees, and the City from claims for bodily injuries, death or property damage that may arise out of or result from Contractor's performance of its duties under this Agreement. The following minimum levels of coverage are required:

1. Public liability and property damage (no pollution exclusion endorsement shall be permitted):

   i. General Liability: $1,000,000 each occurrence

   ii. Property Damage: $1,000,000 each occurrence

   iii. Employer's Liability: $1,000,000

   iv. Bodily Injury: $1,000,000 each occurrence

v. Automobile: $1,000,000

2. Umbrella Liability: $5,000,000

3. Workers' Compensation: Statutory Limits

C. Indemnity. To the fullest extent permitted by law, each Party shall and does hereby mutually indemnify and hold harmless the other Party, as well as its officers, directors, agents and employees, from and against all claims, damages, losses and expenses, including without limitation, attorneys' fees, arising out of or related to this Agreement or the performance thereof, but only to the extent such claims, damages, losses or expenses are attributable to the negligent act or omission or other fault of the indemnifying Party. The indemnification obligations hereunder shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity that would otherwise exist to any Party or person described in this Section. The indemnification requirements set out herein shall not be limited by any limitation on the amount or type of damages, compensation or benefits payable by or for either Party under any insurance policy, workers' compensation acts, disability benefits acts or other employee benefit acts.

VII. TERM AND TERMINATION

A. Term. The initial term of this Agreement shall be for five (5) years, commencing on June 1st, 2021 and ending at midnight on the fifth anniversary of that date. Upon expiration of the initial term, the Agreement may be extended for an additional term of five (5) year(s) provided that proper notice is given and both Parties have consented to extension of the term.

For the purposes of this section, proper notice of an intent to extend the term of the Agreement must be delivered in writing by the Party seeking to extend the term and is ineffective unless received by the other Party no later than One Hundred Eighty (180) days prior to expiration of the term to be extended. Once proper notice to extend the term has been received, the receiving Party shall, no later than sixty (60) days from the date of receipt of such notice, inform the other party that it approves the extension, does not approve the extension, or desires to amend the terms of this Agreement. If the receiving party does not respond in writing within such sixty (60) days, the Parties shall be deemed to have consented to the extension, and the term shall be extended as provided herein.

B. Termination. If, at any time, the City defaults in its obligations under this Agreement, including the obligation to make timely payment for services rendered as provided herein, and the City further fails to cure the default following ten (10) days' written notice from Contractor, Contractor may terminate the Agreement for cause. In the event of such a termination, Contractor shall be entitled to payment for all services

performed prior to the date of termination, as well as any additional costs or damages incurred as a result of the termination or available by law.

VIII. FORCE MAJEURE

Force Majeure. If, by reason of Force Majeure, either Party is unable, in whole or in part, to carry out its obligation(s) under this Agreement, the Party whose performance is so affected shall give notice and full details regarding the impact of such Force Majeure to the other Party within a reasonable time after the occurrence of the instigating event or cause. Provided that proper notice is given, the obligation(s) of the impacted Party hereunder shall, to the extent impacted by the Force Majeure, be suspended for the duration of the impact, but in no event for a period longer than that period reasonably necessary for recovery from or mitigation of the impact caused by the Force Majeure event. To this end, the impacted Party shall take all reasonable measures necessary to overcome, remove or otherwise mitigate the impact of the Force Majeure event. During such period of suspension, any obligations of the non-impacted Party shall continue without interruption, except to the extent such obligations rely upon, or are predicated by, the suspended obligations of the impacted Party.

IX. MISCELLANEOUS

A. Extra Work. Except as otherwise provided herein, all work outside the express terms of this Agreement must have prior written approval by both Parties. Charges for extra work will be submitted to the City for approval prior to commencement of the work.

B. Assignment. Except as otherwise provided herein, this Agreement may be assigned by Contractor with the prior, written consent of the City. The use of any subcontractor shall be subject to the prior, written approval of the City, such approval not to be unreasonably withheld. Provided, however, Contractor expressly reserves the right to assign this Agreement, including any and all rights, duties, responsibilities and/or obligations hereunder, as may be necessary or appropriate to affect any internal restructuring or other transfer of ownership between Contractor and any of its affiliates, partners, or subsidiaries.

C. Venue & Choice of Law. This Agreement shall be construed under and in accordance with the laws of the State of Texas, and the Parties expressly consent to the jurisdiction of the courts therein. All obligations of the Parties hereunder are performable in Caldwell County, Texas, and venue for any claim or action arising hereunder shall lie exclusively in Caldwell County, Texas.

D. Succession. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

E. Severability. If any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal, void, or unenforceable in any respect, such provision(s) shall be reformed to the minimum extent necessary to cure the violation and render the clause fully valid and enforceable. In the event such revision is not possible, the Agreement shall be construed as if such invalid, illegal, void, or unenforceable provision(s) had never been contained herein, and the offending provision(s) shall have no impact or effect on the validity or enforceability of the remaining provisions.

F. Entire Agreement. This Agreement constitutes the sole and entire agreement between the Parties with respect to the subject matter hereof and supersedes any prior understandings or written or oral agreements between the Parties with respect to same. The Agreement may not be amended or modified except by a written document signed by both Parties.

G. No Waiver. One or more waivers of any covenant or condition by either Party shall not be construed as a waiver of a subsequent breach of the same covenant or condition. The waiver or exercise of any legal right hereunder shall not be construed as a waiver of any other action or right either Party may have pursuant to the terms of this Agreement.

H. Notices. All notices, requests, demands or other communications required or permitted under this Agreement must be in writing and delivered personally or by certified mail, return receipt requested or by overnight courier (such as Federal Express), and addressed to the Parties at the addresses set forth below the signature lines of this Agreement. All notices given in accordance with the terms hereof shall be deemed given upon placement with a carrier for delivery as provided herein and shall be deemed received upon actual receipt by the other Party. Either Party may change the address for receiving notices, demands or other communication by written notice to the other Party sent in accordance with this section.

I. Counterparts. This Agreement may be executed in one or more counterparts, each of which, when so executed and delivered, shall be deemed to be an original but together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the 1st day of June 2021 (the Effective Date).

CENTRAL TEXAS REFUSE, LLC.

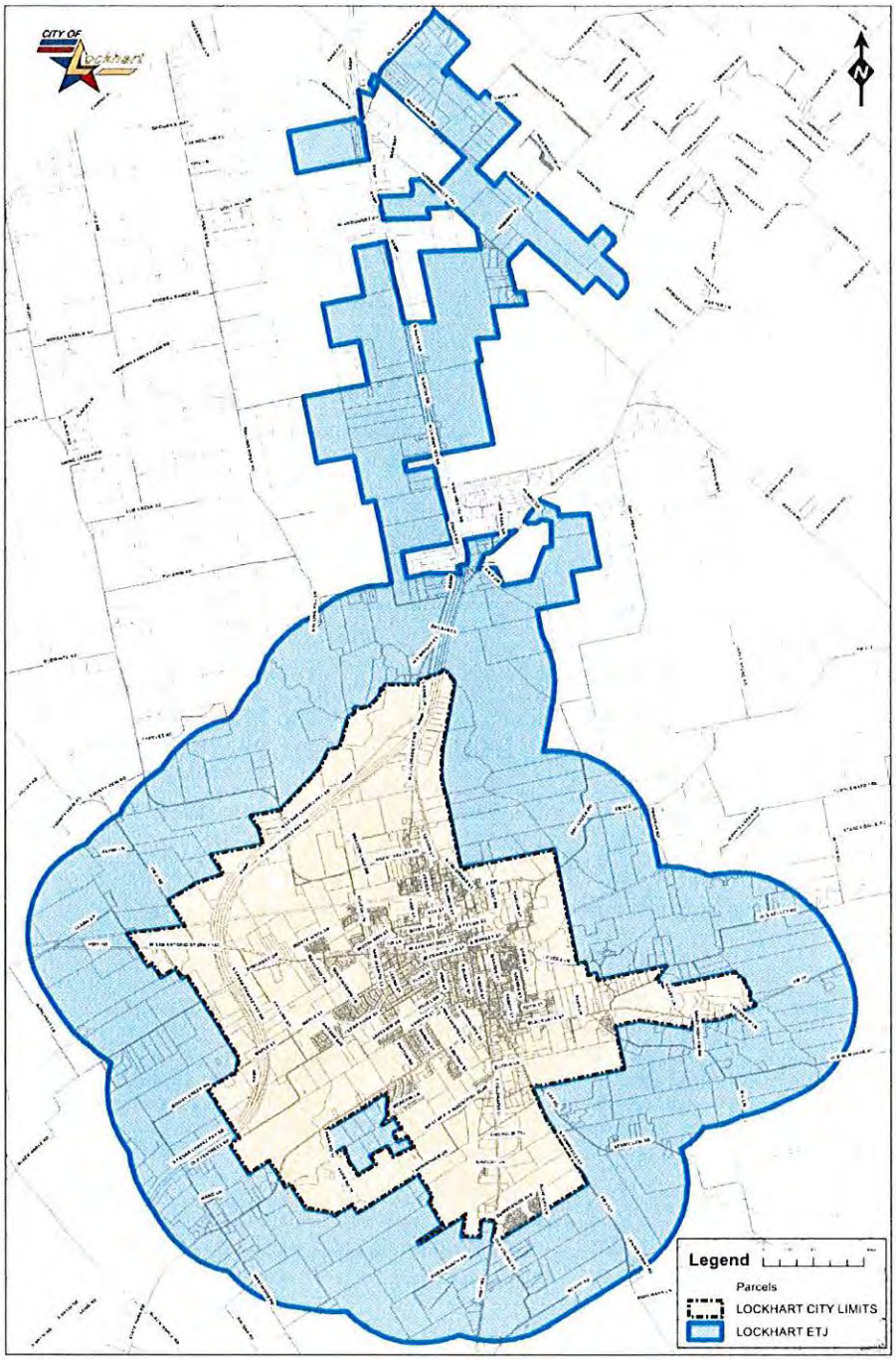
Michael E. Lavengco, CEO

CITY OF LOCKHART

Lew White 6-1-21

Lew White, Mayor

Exhibit "A"
Designation of Service Area



Service area is tan area only.

Exhibit "B"

Rates for Solid Waste Collection, Recycling, & Disposal

Collect Residential Refuse at Curbside

Contractor will provide curbside hand collection service of residential refuse and waste to each Residential Unit as follows:

Monthly Rates beginning on the Effective Date:

(i) Residential Collection (once per week) = **$13.30**
(ii) Seniors (once per week) = **$10.92**
(iii) Additional 95-gallon cart = **$5.94**
(iv) Recycling =**$3.00**

Collect Commercial Refuse

Contractor will provide collection service of Commercial refuse and waste for multi-family dwellings, apartment projects, commercial and industrial customers as follows:

Monthly Rates:

(1). The rates and charges for customers in this category are as follows:

$ 18.00 Monthly Rate for (1) Commercial 95-gallon cart serviced once per week **$ 5.94** Monthly Rate for each additional 95-gallon cart serviced once per week

The above rates are subject to change as provided herein.

Commercial Trash Bin and Roll off Dumpster Services

Rates beginning on the Effective Date

	EOW	1X WEEK	2X WEEK	3X WEEK	4X WEEK	5X WEEK	EXTRA P/U
2-YARD	$44.62	$59.49	$101.71	$123.17			$20.93
3-YARD	$53.34	$69.78	$118.19	$153.98			$23.74
4-YARD	$63.01	$84.01	$133.44	$184.73			$31.39
6-YARD	$74.77	$99.70	$158.68	$250.43			$41.89
8-YARD	$94.25	$125.67	$206.87	$283.07			$52.34
10-YARD	$119.26	$152.42	$239.51	$326.60	$435.68	$544.74	$62.82

Roll-off Services

The following rates and fees shall be applicable to Commercial Customers and others requiring service at a level in excess of the highest level of each category of customer provided above to be made available with roll off dumpsters. These services will be via roll-off container as follows:

(i) Delivery fee for all sizes = **Included in price**
(ii) Daily rental fee for all sizes = **$3.75**
(iii) 20 yd. = **$475.00** per haul
(iv) 30 yd. = **$540.00** per haul
(v) 40 yd. = **$605.00** per haul

The above rates in this subsection shall be multiplied by 1.08 to result in rates charged by the Contractor sufficient to fund administrative charges and pay the franchise fees. Fees for roll off services shall be invoiced and collected by the Contractor. A fuel surcharge as published on the FuelGauge.com website or other comparable source as approved by the City Manager or designee shall also be applicable for the above rates.

Exhibit "C"

Services to Be Performed by Contractor

Solid Waste Collection

Contractor shall provide curbside collection service for the collection of residential refuse to each residential or commercial unit one (1) time per week, as provided herein.

All will make use of 95-gallon Carts as provided by Contractor. Up to 7 Additional items may be included in weekly collection outside of the contractor provided 95 – gallon Carts. All additional items Bulky Waste, Bags, and Brush shall be no more than 4 feet in length, 4 feet in height, and No More than 40 lbs. in weight. Collection of refuse shall be made between 7:00 A.M. and 6:00 P.M. All acceptable Carts and approved items shall be placed at curbside by 7:00 A.M. on the designated collection day, but no earlier than the evening before the regularly scheduled collection. Exceptions to collection hours shall be affected only upon mutual agreement of the City and Contractor, or when Contractor reasonably determines that an exception is necessary in order to complete collection on an existing collection due to unusual circumstances and notified and received approval from the City.

Brush picked up as part of the Contractor's normal service must be bundled in lengths not greater than (4) four feet in length, and not greater than 40 lbs. in weight. Such bundles will be tied sufficiently so that the bundle can be lifted by the ties into Contractor's vehicle.

Special Annual Clean-up:

For no additional charge Contractor will, 2 days a year, provide curbside collections for a "City-Wide Clean-up" as mutually agreed upon by Contractor and the City. Customers will receive this service during the designated Days as mutually determined. During this event, the following items will be collected at the curbside by the Contractor: all Bulky Waste, construction materials qualifying as Bulky Waste (less than 4 feet in length by 4 feet in height & less than 40 lbs.), bulk items (Compliant white goods), and brush less than 4 feet in length and less than 40 lbs., and bags. Chemicals, oil base paints & cleaners. oil, oil filters, anti-freeze, tires, and batteries will not be accepted for pickup. Material not accepted at the landfill will not be accepted at the cleanup site. During the designated cleanup days, structure or partial demolitions of structures will not be collected if the materials exceed Bulky Waste specifications. The City will provide all public notices for the Annual City-Wide Clean-up days via the City information channel, utility billing inserts and local newspapers/media.

Note: Any Customer who, in the opinion of the Contractor and the City, abuses this privilege, shall pay an additional sum to Contractor, said sum to be agreed upon between the City and the Contractor on a case-by-case basis.

Additional Items below may be included during Special Annual Clean Up Days:

Appliances: Stoves, water tanks, washing machines, dryers, refrigerators, air conditioners, sinks, toilets, and like items. Refrigerators and air conditioners must have their Freon removed by a certified technician and be tagged. Units that are not certified will have a charge of $30.00 per unit. This will be billed directly to the Customer. The Contractor is not required to pick-up bathtubs, shower stalls and like items.

Furniture: Couches, beds, mattresses, love seats, tables, chairs, lamps, microwaves, etc.

Tires: Tires shall not be accepted for collection as a bulky item or during the Special Annual Clean up days from residential without special preparation. All tires must be quartered or shredded prior to being accepted for regular collection or they will not be picked-up.

Items Not Collected: Construction debris out of Bulky Waste specifications, dead animals, toxic or hazardous waste, batteries, stable matter, rubbish, rocks, dirt, concrete, ammunition, hot ashes, medical waste, auto parts, tires, special waste, stumps, and any item containing CFCs are included as bulky items Not collected as part of normal residential service. Bulky items, not defined as acceptable bulky items or "white goods" (which are not included in Solid Waste Collection), may be collected and disposed of by the Contractor through separate and independent arrangements at the resident's additional expense as identified by the Contractor. An example would be a resident's construction debris from a major renovation of their residence. No TV's.

Disabled at the Door Services

Upon verification by City, a trash services Customer who has provided acceptable proof of disability can be provided upon request with "Garage Door" trash collections services provided the trash cart is readily visible, easily accessible, and within 75' of the street right of way and is not enclosed in any manner.

Recycling:

Recycling carts shall contain only the items listed below. A cart contaminated by the presence of fifty percent (50%) or more of non-recyclable items will be tagged to notify the Customer as to why the materials were not collected.

PAPER: All newspapers, including inserts such as ads or coupons, are recyclable. No phone book or envelopes are permitted. Cardboard (Excluding Pizza Boxes or any other Wax Coated Containers)

ALUMIMUM CANS: Beverage cans only (beer and soda). Please, no aluminum foil or pie pans.

STEEL AND TIN FOOD CANS ONLY: Please rinse and remove labels.

PLASTIC DRINK BOTTLES: Clear or opaque plastic drink containers with the number "1PETE" or "2 HDPE", which hold drinks like milk, soda water, etc. are recyclable. Colored plastic containers are recyclable, except containers which held laundry detergent or chemicals.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: November 6, 2025

AGENDA ITEM CAPTION: Discussion regarding authorizing staff to release the Request for Proposal (RFP) for Solid Waste and Recycling Collection Services.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: The City of Lockhart has been working with Burns & McDonnell to prepare a Request for Proposals (RFP) for Solid Waste and Recycling Collection Services in anticipation of the current contract's expiration on June 1, 2026. The City's existing provider, Republic Services (previously Central Texas Refuse [CTR]), has served Lockhart since 2004, with the current agreement approved in 2021 until June 1, 2026.

The proposed RFP seeks qualified waste management firms to provide the following services:

- Residential Trash Collection
- Residential Recycling Collection
- Residential Yard, Brush, and Bulky Waste Collection
- Residential Household Hazardous Waste Collection
- Commercial Trash and Recycling Collection

Proposers will also be responsible for processing and disposal of collected materials and providing program support such as customer service, education, and cart maintenance.

Key RFP and Contract Enhancements:
Respondents to the RFP are requested to provide proposals and pricing for the following services and contract components:

- Multiple residential cart sizes (96-, 64-, and 32-gallon) with once-per-week collection service.
- Every-other-week curbside recycling with opt-in and universal participation options, including expanded materials such as plastics #1–7 and glass.
- Yard, brush, and bulky waste collection services up to four cubic yards per service, with flexible monthly, quarterly, or by-appointment options.
- Commercial recycling and special event collection services.
- Solid waste and recycling service at no cost for all City facilities.
- At least two annual community cleanup events and one annual Household Hazardous Waste collection or drop-off option.
- Updated CPI-based rate adjustments, liquidated damages provisions, and electronic tracking requirements.

- An initial five- or seven-year contract term, with optional renewals not to exceed ten years total.

A more comprehensive list of requested services and contract components is provided in the attached presentation.

Proposed Project Schedule:

- November 10, 2025 – RFP Release Date
- December 19, 2025 – Proposal submission deadline
- December 22, 2025 – Proposal opening date
- January 2026 – Interviews and negotiations with proposers
- January–February 2026 – Council consideration and authorization of contract award
- February-June 2026 - Transition period, if needed
- June 1, 2026 – Service commencement date

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

- August 19, 2025 – Council approved professional services agreement with Burns & McDonnell to prepare the RFP.
- September 30, 2025 – Council provided direction on desired service and contract components.

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Provide direction to staff regarding the release of the Request for Proposal for Solid Waste and Recycling Collection Services.

LIST OF SUPPORTING DOCUMENTS: Solid Waste and Recycling Services RFP Presentation

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

SOLID WASTE AND RECYCLING REQUEST FOR PROPOSALS

BACKGROUND

- Current Provider is Republic Services.
- Residential Waste Services Began in 2004 with CTR.
- Previous contract was set to expire in September 2020, initial extension granted until May 31, 2021.
- June 2021, Council approved a five-year extension with Republic Services effective until June 1, 2026.
- August 19, 2025 – Council approved a solid waste consulting service agreement with Burns & McDonnell to assist City staff on preparing a RFP for Solid Waste and Recycling Collection Services.
- September 30, 2025 - Council meeting with Burns & McDonnell and City staff to provide direction on requested service/contract components.

Current Accounts

- 6,238 Residential Accounts
- 565 Non-residential Accounts
- 1,346 Voluntary Residential Recycling Accounts
- 37 Valet Customers

RFP/CONTRACT ENHANCEMENTS

Service/Contract Component	
Residential Collection Services	• Pricing for multiple cart sizes 96-gallon, 64-gallon and 32-gallon carts. • Once per week service. • Basic service will include one cart per resident with additional carts available for a fee. • Discontinue 7 bags, bulky, and brush outside of cart setouts.
Non-Single-Family Residential Collection Services	• Pricing for commercial recycling. • Pricing for special events. • City facilities to be serviced at no costs.
Recycling	• Every other week curbside service. • Pricing for Opt-In and Universal Residential Collection. • Pricing to add plastics #1-7. • Pricing to add glass.

RFP/CONTRACT ENHANCEMENTS

Service/Contract Component	
Yard, Brush, and Bulky Waste Collection Servies	• Proposer to provide pricing for yard, brush and bulky services for up to 4 cubic yards of yard, brush and bulky waste per collection. • Pricing will include options for monthly, quarterly and by appointment services. • Additional yard, brush and bulky waste will be coordinated between the contractor and the resident, including pricing, prior to disposal of additional items. • Proposer to provide at least two (2) annual Community Clean-up Events.
Misc.	• Pricing for tires, freezers and refrigerators. • Request annual contribution to the City of $27,000. • Educational Outreach.
Household Hazardous Waste Collection	• Requesting one annual HHW collection event with in-city or access to an HHW drop-off disposal site.
Carts	• Pricing options for City and contractor purchase. • The contractor provides storage, maintenance and warranty services.

RFP/CONTRACT ENHANCEMENTS

Service/Contract Component	
Days and Hours	• Services to be provided between the hours of 7am to 6pm, Monday through Friday, with Saturday collection as needed for additional capacity and as required to make up collection due to holidays. • Proposers shall indicate if commercial collection can be provided weekly on Saturdays.
Rate Adjustments	• Updated CPI aligns with solid waste industry. • Increase shall not exceed 5% for a single year or 15% over a four-year period.
Communications	• Electronic Tracking of vehicles. • Customer service resolution.

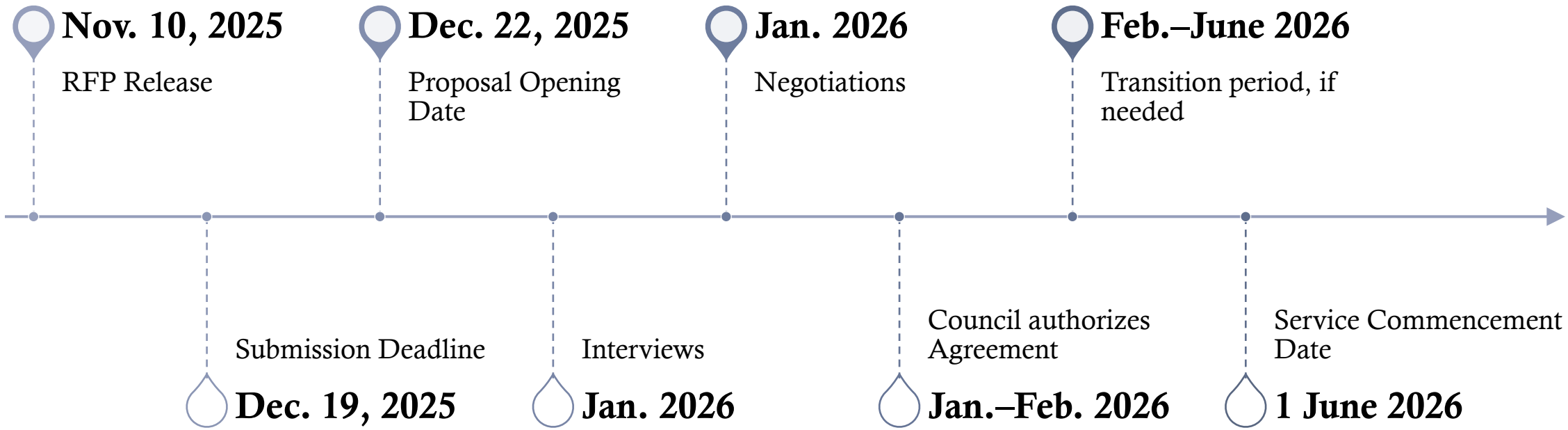
RFP/CONTRACT ENHANCEMENTS

Service/Contract Component	
Landfill Drop-offs	• Caldwell County has an agreement allowing for County residents' access to landfill drop-off disposal services. • The agreement is up for renewal in 2033. • If the County does not enter into an extension for this agreement, the Proposer shall allow for Residential Unit Customers up to 6 cubic yards of Trash per drop-off.
Missed Collections	• If the Contractor is notified of a confirmed missed collection prior to 1:00 PM then the Contractor shall return to the property to pick-up the missed collection on the same day that notice is received. • If the Contractor is notified of a missed collection after 1:00 PM then the Contractor shall return to the property pick up the missed collection no later than 5:00 PM on the day after the complaint is received.

RFP/CONTRACT ENHANCEMENTS

Service/Contract Component	
Term	• Optional Renewal Term(s) with a combined total length of not more than five (5) or seven (7) years such that the combined total Agreement Term including the Initial Term and the Optional Renewal Terms(s) shall not exceed ten (10) years.
Liquidated Damages	• Liquidated damages for missed collections, failure to clean spills, repair property damage, respond to complaints, or meet other performance standards.
Transition Plan	• Must be submitted as part of the proposal.

NEXT STEPS


Nov. 10, 2025
RFP Release
Dec. 22, 2025
Proposal Opening Date
Jan. 2026
Negotiations
Feb.–June 2026
Transition period, if needed
Submission Deadline
Dec. 19, 2025
Interviews
Jan. 2026
Council authorizes Agreement
Jan.–Feb. 2026
Service Commencement Date
1 June 2026

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: November 6, 2025

AGENDA ITEM CAPTION: Discuss Resolution 2025-37 requiring approval by the City Council of the City of Lockhart for the 2025 Certified Property Tax Roll.

ORIGINATING DEPARTMENT AND CONTACT: Finance -

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: Section 26.09 of the Property Tax Code requires approval by the City Council for the Certified Property Tax Roll, with the amount presented by the Caldwell County Appraisal District for 2025 tax year.

The 2025 Certified Property Tax Roll contains final amounts due totaling $10,141,629.50 ($2,613,651.96 for debt service).

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION:

LIST OF SUPPORTING DOCUMENTS: 2025 Tax Roll Approval - City of Lockhart

RESOLUTION 2025-37

A RESOLUTON OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, APPROVING THE CITY OF LOCKHART APPRAISAL ROLL WITH TAX AMOUNTS ENTERED BY THE ASSESSOR, FOR THE TAX YEAR 2025.

WHEREAS, Section 26.09 of the Property Tax Code requires approval of the City Council of the City of Lockhart appraisal roll with tax amounts entered by the assessor, for the tax year 2025, and

WHEREAS, such roll was presented to the City of Lockhart on November 6, 2025, and appears in all things correct as under the applicable laws of the State of Texas, and

WHEREAS, said City Council voted in open session to approve said roll.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, that the appraisal roll with amounts due totaling $10,141,629.50 for the year 2025 is approved and is the tax roll for the City of Lockhart for the year 2025.

PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, ON THIS THE 6th DAY OF November 2025.

CITY OF LOCKHART

_____
Lew White, Mayor

Attest:

_____
Julie Bowerman, City Secretary

APPROVED AS TO FORM:

_____
Brad Bullock, City Attorney

Caldwell County Appraisal District

10/20/25

City of Lockhart
City Manager
PO Box 239
Lockhart TX 78644

RE: Resolution for 2025 tax roll

I have enclosed for your use a resolution to be used for approval of the 2025 tax roll, along with a copy of the totals from the tax roll. The resolution should be adopted at the next meeting of your governing body as formal approval of the 2025 tax roll. Kindly send the adopted resolution via email to Vicki Schneider at vickis@caldwellcad.org or to my email address at shannar@caldwellcad.org within ten days following its adoption.

If you have any questions, please feel free to contact me at (512) 398-5550 ext #207.

Thank you,

Shanna Ramzinski
Chief Appraiser

Encl: Resolution
Levy Totals

211 Bufkin Ln
P.O. Box 900
Lockhart, Texas 78644
United States

PHONE (512) 398-5550
FAX (512) 398-5551
E-MAIL general@caldwellcad.org
WEB SITE www.caldwellcad.org

Caldwell County

2025 LEVY TOTALS

CLH - City of Lockhart

Property Count: 7,644 | 10/8/2025 | 3:02:57PM

Land	Value			
Homesite:	243,859,541			
Non Homesite:	346,096,672			
Ag Market:	147,100,870			
Timber Market:	0	**Total Land**	(+)	737,057,083

Improvement	Value			
Homesite:	725,629,314			
Non Homesite:	900,287,446	**Total Improvements**	(+)	1,625,916,760

Non Real	Count	Value			
Personal Property:	752	121,976,880			
Mineral Property:	12	61,731			
Autos:	0	0	**Total Non Real**	(+)	122,038,611
			Market Value	=	2,485,012,454

Ag	Non Exempt	Exempt			
Total Productivity Market:	147,100,870	0			
Ag Use:	528,072	0	**Productivity Loss**	(-)	146,572,798
Timber Use:	0	0	**Appraised Value**	=	2,338,439,656
Productivity Loss:	146,572,798	0			
			Homestead Cap	(-)	83,427,584
			23.231 Cap	(-)	31,411,771
			Assessed Value	=	2,223,600,301
			Total Exemptions Amount (Breakdown on Next Page)	(-)	313,959,843
			Net Taxable	=	1,909,640,458

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count			
DP	20,590,115	18,778,989	76,442.42	81,450.72	99			
OV65	276,776,041	256,775,633	962,819.03	981,325.96	1,087			
Total	297,366,156	275,554,622	1,039,261.45	1,062,776.68	1,186	**Freeze Taxable**	(-)	275,554,622
Tax Rate	0.5541000							
						Freeze Adjusted Taxable	=	1,634,085,836

Levy Info					
M&O Rate:	0.4113000	M&O Tax:	7,527,977.54		
I&S Rate:	0.1428000	I&S Tax:	2,613,651.96		
Protected I&S Rate:	0.0000000	Protected I&S Tax:	0.00		
		Ag Penalty:	0.00		
		PP Late Penalty:	0.00		
		Late Correction Penalty:	0.00		
				Total Levy	10,141,629.50
Tax Increment Finance Value:			0		
Tax Increment Finance Levy:			0.00		

Exemption Breakdown

Exemption	Count	Local	State	Total
DP	105	0	0	0
DV1	29	0	250,000	250,000
DV2	18	0	160,500	160,500
DV3	29	0	219,000	219,000
DV4	97	0	688,377	688,377
DV4S	2	0	24,000	24,000
DVHS	108	0	33,667,653	33,667,653
DVHSS	1	0	226,400	226,400
EX	9	0	3,892,836	3,892,836
EX-XA	1	0	16,846,669	16,846,669
EX-XD	2	0	127,350	127,350
EX-XF	3	0	45,350	45,350
EX-XG	3	0	3,835,613	3,835,613
EX-XL	2	0	283,080	283,080
EX-XR	5	0	25,511,150	25,511,150
EX-XU	1	0	1,159,420	1,159,420
EX-XV	203	0	212,734,000	212,734,000
EX-XV (Prorated)	1	0	160,149	160,149
EX366	130	0	135,550	135,550
FR	4	1,098,912	0	1,098,912
HT	4	1,294,342	0	1,294,342
OV65	1,162	11,065,638	0	11,065,638
OV65S	6	60,000	0	60,000
SO	37	473,854	0	473,854
	Totals	**13,992,746**	**299,967,097**	**313,959,843**

Land	Value
Homesite:	454,290
Non Homesite:	2,063,230
Ag Market:	0
Timber Market:	0

Improvement	Value
Homesite:	1,282,910
Non Homesite:	6,863,748

Non Real	Count	Value
Personal Property:	0	0
Mineral Property:	0	0
Autos:	0	0

Ag	Non Exempt	Exempt
Total Productivity Market:	0	0
Ag Use:	0	0
Timber Use:	0	0
Productivity Loss:	0	0

Total Land	(+)	2,517,520
Total Improvements	(+)	8,146,658
Total Non Real	(+)	0
Market Value	=	10,664,178
Productivity Loss	(-)	0
Appraised Value	=	10,664,178
Homestead Cap	(-)	2,692
23.231 Cap	(-)	2,017,130
Assessed Value	=	8,644,356
Total Exemptions Amount (Breakdown on Next Page)	(-)	0
Net Taxable	=	8,644,356

Tax Increment Finance Value:	0
Tax Increment Finance Levy:	0.00

Exemption Breakdown

Exemption	Count	Local	State	Total
	Totals			

Land	Value
Homesite:	244,313,831
Non Homesite:	348,159,902
Ag Market:	147,100,870
Timber Market:	0

Improvement	Value
Homesite:	726,912,224
Non Homesite:	907,151,194

Non Real	Count	Value
Personal Property:	752	121,976,880
Mineral Property:	12	61,731
Autos:	0	0

Ag	Non Exempt	Exempt
Total Productivity Market:	147,100,870	0
Ag Use:	528,072	0
Timber Use:	0	0
Productivity Loss:	146,572,798	0

Total Land	(+)	739,574,603
Total Improvements	(+)	1,634,063,418
Total Non Real	(+)	122,038,611
Market Value	=	2,495,676,632
Productivity Loss	(-)	146,572,798
Appraised Value	=	2,349,103,834
Homestead Cap	(-)	83,430,276
23.231 Cap	(-)	33,428,901
Assessed Value	=	2,232,244,657
Total Exemptions Amount (Breakdown on Next Page)	(-)	313,959,843
Net Taxable	=	1,918,284,814

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count
DP	20,590,115	18,778,989	76,442.42	81,450.72	99
OV65	276,776,041	256,775,633	962,819.03	981,325.96	1,087
Total	297,366,156	275,554,622	1,039,261.45	1,062,776.68	1,186
Tax Rate	0.5541000				

Freeze Taxable	(-)	275,554,622
Freeze Adjusted Taxable	=	1,642,730,192

Levy Info			
M&O Rate:	0.4113000	M&O Tax:	7,527,977.54
I&S Rate:	0.1428000	I&S Tax:	2,613,651.96
Protected I&S Rate:	0.0000000	Protected I&S Tax:	0.00
		Ag Penalty:	0.00
		PP Late Penalty:	0.00
		Late Correction Penalty:	0.00
Tax Increment Finance Value:			0
Tax Increment Finance Levy:			0.00

Total Levy		10,141,629.50

Exemption Breakdown

Exemption	Count	Local	State	Total
DP	105	0	0	0
DV1	29	0	250,000	250,000
DV2	18	0	160,500	160,500
DV3	29	0	219,000	219,000
DV4	97	0	688,377	688,377
DV4S	2	0	24,000	24,000
DVHS	108	0	33,667,653	33,667,653
DVHSS	1	0	226,400	226,400
EX	9	0	3,892,836	3,892,836
EX-XA	1	0	16,846,669	16,846,669
EX-XD	2	0	127,350	127,350
EX-XF	3	0	45,350	45,350
EX-XG	3	0	3,835,613	3,835,613
EX-XL	2	0	283,080	283,080
EX-XR	5	0	25,511,150	25,511,150
EX-XU	1	0	1,159,420	1,159,420
EX-XV	203	0	212,734,000	212,734,000
EX-XV (Prorated)	1	0	160,149	160,149
EX366	130	0	135,550	135,550
FR	4	1,098,912	0	1,098,912
HT	4	1,294,342	0	1,294,342
OV65	1,162	11,065,638	0	11,065,638
OV65S	6	60,000	0	60,000
SO	37	473,854	0	473,854
	Totals	**13,992,746**	**299,967,097**	**313,959,843**

2025 LEVY TOTALS

CLH - City of Lockhart

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: November 6, 2025

AGENDA ITEM CAPTION: Discuss Resolution 2025-36, finding that Texas Gas Service Company's, a division of One Gas, Inc., Central-Gulf Service Area, statement of intent to increase rates filing within the City should be denied.

ORIGINATING DEPARTMENT AND CONTACT: Finance - Keeli Michna

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION:

On June 30, 2025, Texas Gas Service Company (TGS or Company) filed a Statement of Intent to Increase Rates application with each of the cities in their Central-Gulf, West North, and Rio Grande Valley service areas. In the filing, the Company asserted that it is entitled to a $41.1 million increase or a 9.83% increase over current adjusted revenues, excluding gas costs.

In June, the Cities Served by Texas Gas Service Company (TGS Cities) engaged the services of consultants to review the Company's filing. The consultants identified numerous unreasonable expenses and proposed significant reductions to the Company's request. Accordingly, TGS Cities' attorney recommends that all TGS Cities members adopt the Resolution denying the rate change. Once the Resolution is adopted, TGS will have 30 days to appeal the decision to the Railroad Commission where the appeal will be consolidated with TGS' filing for the environs and those cities that have relinquished their jurisdiction (i.e. Gas Utility Docket 28202) currently pending at the Railroad Commission.

Under the law, cities with original jurisdiction over this matter have 125 days from the initial filing to take final action on the application. By the agreement of the parties, this deadline was suspended until November 17, 2025. As such, all cities with original jurisdiction will need to adopt the resolution no later than November 17.

Accordingly, the purpose of the Resolution 2025-36 is to deny the rate application proposed by TGS.

Explanation of "Be It Resolved" Sections:

Section 1. This paragraph finds that the Company's application is unreasonable and should be denied.

Section 2. This section states that the Company's current rates shall not be changed.

Section 3. The Company will reimburse Cities for their reasonable rate case expenses. Legal counsel and consultants, approved by the TGS Cities will submit monthly

invoices that will be forwarded to TGS for reimbursement. .

Section 4. This section merely recites that the Resolution was passed at a meeting that was open to the public and that the consideration of the Resolution was properly noticed.

Section 5. This section provides TGS and counsel for the cities will be notified of the City's action by sending a copy of the approved and signed resolution to counsel.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Approval of Resolution 2025-23.

LIST OF SUPPORTING DOCUMENTS: Resolution 2025-36

RESOLUTION NO. 2025-36

A RESOLUTION OF THE CITY OF LOCKHART, TEXAS FINDING THAT TEXAS GAS SERVICE COMPANY'S, A DIVISION OF ONE GAS, INC., STATEMENT OF INTENT TO INCREASE RATES FILING WITHIN THE CITY SHOULD BE DENIED; FINDING THAT THE CITY'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.

WHEREAS, the City of Lockhart,Texas ("City") is a gas utility customer of Texas Gas Service Company, a Division of ONE Gas, Inc., ("TGS" or "Company") within the unincorporated areas of the Central-Gulf, West North, and Rio Grande Valley Service Area, and a regulatory authority with an interest in the rates and charges of TGS; and

WHEREAS, the City is a member of Cities Served by Texas Gas Service Company (such participating cities are referred to herein as "TGS Cities"), a coalition of similarly situated cities served by TGS that have joined together to efficiently and cost effectively review and respond to natural gas issues affecting rates charged in TGS' Central-Gulf, West North, and Rio Grande Valley Service Area; and

WHEREAS, on or about June 30, 2025, TGS filed with the City a Statement of Intent to Increase Rates seeking to increase natural gas revenues by $41.1 million annually and to all customers residing in the City; and

WHEREAS, TGS Cities has coordinated its review of TGS' Statement of Intent filing and designated attorneys and consultants to resolve issues in the Company's filing; and

WHEREAS, through review of the application, TGS Cities' consultants determined that TGS' proposed rates are excessive; and

WHEREAS, TGS Cities' members and attorneys recommend that TGS Cities members deny the Statement of Intent; and

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

SECTION 1. That the rates proposed by TGS to be recovered through its gas rates charged to customers located within the City limits, are hereby found to be unreasonable and shall be denied.

SECTION 2. That the Company shall continue to charge its existing rates to customers within the City.

SECTION 3. That the City's reasonable rate case expenses shall be reimbursed in full by TGS within 30 days of the adoption of this Resolution.

SECTION 4. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

SECTION 5. That a copy of this Resolution shall be sent to TGS representatives Judy Hitchye, Texas Gas Service Company, Barton Skyway IV, 1301 S. Mopac, Suite 400, Austin, Texas 78746 (Judy.Hitchye@onegas.com), and to Thomas Brocato at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 (tbrocato@lglawfirm.com).

PASSED AND APPROVED this 6th day of November, 2025.

_____
Lew White
Mayor, City of Lockhart

ATTEST:

_____
Julie Bowermon, City Secretary

APPROVED AS TO FORM:

_____
Brad Bullock, City Attorney

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: November 6, 2025

AGENDA ITEM CAPTION: Receive and discuss the 4th Quarter Fiscal Year 2025 Investment Report.

ORIGINATING DEPARTMENT AND CONTACT: Finance - Keeli Michna

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: The Texas Public Funds Investment Act requires local governments to review and accept the quarterly investment reports for each quarterly reporting period of the fiscal year. The 4th Quarter Investment Report of Fiscal Year End (FYE) 2025, ending September 30, 2025 is presented for your review and acceptance.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends a motion to accept the 4th Quarter Investment Report for FYE 2025.

LIST OF SUPPORTING DOCUMENTS: FYE 2025 4th Quarter Report

CITY OF LOCKHART

Quarterly Investment Report
For the Quarter Ended September 30, 2025

November 4, 2025

CITY of LOCKHART

Quarterly Investment Report

For the Quarter Ended September 30, 2025

This report is presented in accordance with the Texas Government Code, Title 10, Chapter 2256, Public Funds Investment; Section 2256.023 known as the "Public Funds Investment Act". Attached is a detailed City of Lockhart investment report for the period July 1, 2025 through September 30, 2025. The Investment Portfolio Summary reports the beginning and ending book values and market values for the quarterly reporting period as follows:

	Investment Portfolio	
	Book Value	**Market Value**
July 1, 2025		
Cash	428,390	428,390
Marketable Securities	0	0
Investment Pools	38,389,390	38,387,757
Certificates of Deposits	0	0
Total:	**38,817,780**	**38,816,147**
September 30, 2025		
Cash	750,869	750,869
Marketable Securities	0	0
Investment Pools	55,362,366	55,373,734
Certificates of Deposits	0	0
Total:	**56,113,235**	**56,124,603**

	Fund Availabilty	
July 1, 2025		
Unrestricted Funds	7,659,002	7,659,002
Restricted Funds	31,158,778	31,157,145
Total Funds	**38,817,780**	**38,816,147**
September 30, 2025		
Unrestricted Funds	6,355,001	6,355,001
Restricted Funds	49,758,234	49,769,602
Total Funds	**56,113,235**	**56,124,603**

The investment portfolio, at all times during the quarter, complied with the Public Funds Investment Act and the City of Lockhart Investment Policy. TexPool, Texas CLASS and TexSTAR were also in compliance with the Public Funds Investment Act and the City of Lockhart Investment Policy throughout the quarter.

Joseph Resendez
City Manager

Keeli Michna
Finance Director

CITY of LOCKHART

Investment Portfolio Summary

For the Quarter Ended September 30, 2025

	12/31/2024			
	9/30/2024	% of Total	Market Value	% of Total
July 1, 2025				
Cash	428,390	1.1%	428,390	1.1%
Marketable Securities	0	0.0%	0	0.0%
Investment Pools	38,389,390	98.9%	38,387,757	98.9%
Certificates of Deposits	0	0.0%	0	0.0%
Portfolio Total	**38,817,780**	**100.0%**	**38,816,147**	**100.0%**
September 30, 2025				
Cash	750,869	1.3%	750,869	1.3%
Marketable Securities	0	0.0%	0	0.0%
Investment Pools	55,362,366	98.7%	55,373,734	98.7%
Certificates of Deposits	0	0.0%	0	0.0%
Portfolio Total	**56,113,235**	**100.0%**	**56,124,603**	**100.0%**
Change in Value				
Cash	322,479		322,479	
Marketable Securities	0		0	
Investment Pools	16,972,976		16,985,977	
Certificates of Deposits	0		0	
Portfolio Total	**17,295,455**		**17,308,456**	
	0			

Maturity Data	Book Value @ 9/30/2025	Weighted Average Maturity	Yield to Maturity
Cash	750,869	0 Days	1.00%
Marketable Securities	0	0 Days	0.00%
Investment Pools - Texas CLASS	21,389,773	43 Days *	4.43%
Investment Pools - TexPool	17,200,620	44 Days *	4.25%
Investment Pools - TexSTAR	16,771,973	49 Days *	4.21%
Certificates of Deposits	0	0 Days	0.00%
	56,113,235	45 Days	4.26%

Benchmark - 6 Week Treasury Bills - Secondary Market @ September 30, 2025 4.10%

* Weighted Average Maturity of Pool Investments - City funds are available from pools upon request.

Total Return On Investment	Interest Earned
Cash	2,029
Marketable Securities	0
Investment Pools - Texas CLASS	150,073
Investment Pools - TexPool	81,313
Investment Pools - TexSTAR	84,688
Certificates of Deposits	0
Total Return on Investment	318,103

CITY OF LOCKHART

Cash Accounts (as reconciled to FLNB)

For the Quarter Ended September 30, 2025

General Operating Account - FLNB		
		Value
July 1, 2025	$	428,390
Deposits		18,058,507
Withdrawals		(17,738,057)
Interest Earned		2,029
September 30, 2025	$	750,869

Total Cash Accounts		
		Value
July 1, 2025	$	428,390
Deposits		18,058,507
Withdrawals		(17,738,057)
Interest Earned		2,029
September 30, 2025	$	750,869

CITY of LOCKHART
Marketable Securities Transaction Summary
For the Quarter Ended September 30, 2025

Type of Security	CUSIP	Purchase Date	Par Value	Coupon 0.34%	Date of Maturity	Yield to Maturity	Purchase Price	Quarterly Interest Earned	Beginning Value @ Par	Beginning Book Value	Beginning Market Value	Ending Value @ Par	Ending Book Value	Ending Market Value
								-	July 1, 2025			September 30, 2025		0
								-						0
Totals			$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Purchases

0.22%

Type of Security	CUSIP	Purchase Date	Par Value	Coupon Rate	Date of Maturity	Yield to Maturity	Settlement Total	Price	Accrued Interest
Totals			$ -				$ -		$ -

Maturities

	Purchase Date	Par Value	Coupon Rate	Date of Maturity	Yield to Maturity	Settlement Total
$ -						
Totals		$ -	0.59%			$ -

CITY OF LOCKHART

Investment Pool Transactions Summary

For the Quarter Ended September 30, 2025

TexPool - City of Lockhart					
	Book Value	Market Value	Net Asset Value	Weighted Aver. Maturity	Average Monthly Yield
July 1, 2025	7,462,405	7,462,405	1.000000	38 Days	4.3000%
Deposits	27,392,854				
Withdrawals	(17,735,952)				
Interest Earned	81,313				
September 30, 2025	17,200,620	17,203,716	1.000180	44 Days	4.2500%

Texas CLASS					
	Book Value	Market Value	Net Asset Value	Weighted Aver. Maturity	Average Monthly Yield
July 1, 2025	21,239,701	21,238,677	0.999952	37 days	4.4532%
Deposits	4,000,000				
Withdrawals	(4,000,000)				
Interest Earned	150,073				
September 30, 2025	21,389,773	21,393,919	1.000194	43 days	4.4294%

TexSTAR					
	Book Value	Market Value	Net Asset Value	Weighted Aver. Maturity	Average Monthly Yield
July 1, 2025	9,687,285	9,686,674	0.999937	41 Days	4.2954%
Deposits	7,000,000				
Withdrawals	0				
Interest Earned	84,688				
September 30, 2025	16,771,973	16,776,099	1.000246	49 Days	4.2135%

Total of All Pools		
	Book Value	Market Value
July 1, 2025	38,389,390	38,387,757
Deposits	38,392,854	
Withdrawals	(21,735,952)	
Interest Earned	316,074	
September 30, 2025	55,362,366	55,373,734

CITY of LOCKHART
Certificates of Deposit Transaction Summary
For the Quarter Ended September 30, 2025

Holdings During the Quarter

CD Number	Holder	Purchase Date	Face Value	Interest Rate	Date of Maturity	Yield to Maturity	Purchase Price	Quarterly Interest Earned	Beginning Face Value July 1, 2025	Beginning Market Value July 1, 2025	Ending Face Value September 30, 2025	Ending Market Value September 30, 2025
			$ -				$ -	$ -	$ -	$ -	$ -	$ -

Purchases

CD Number	Holder	Purchase Date	Face Value	Interest Rate	Date of Maturity	Yield to Maturity	Purchase Price
			$ -				$ -

Maturities

CD Number	Holder	Purchase Date	Face Value	Interest Rate	Date of Maturity	Yield to Maturity	Settlement Total
			$ -				$ -

City of Lockhart

Investment Pools

Standard and Poor's Ratings

Month	TexPool	TexSTAR	Texas CLASS
October-24	AAAm	AAAm	AAAm
November-24	AAAm	AAAm	AAAm
December-24	AAAm	AAAm	AAAm
January-25	AAAm	AAAm	AAAm
February-25	AAAm	AAAm	AAAm
March-25	AAAm	AAAm	AAAm
April-25	AAAm	AAAm	AAAm
May-25	AAAm	AAAm	AAAm
June-25	AAAm	AAAm	AAAm
July-25	AAAm	AAAm	AAAm
August-25	AAAm	AAAm	AAAm
September-25	AAAm	AAAm	AAAm

City of Lockhart

Bank Collateralization

Standard and Poor's Ratings

Month	FLNB Collateralization *
October-24	AAA
November-24	AAA
December-24	AAA
January-25	AAA
February-25	AAA
March-25	AAA
April-25	AAA
May-25	AAA
June-25	AAA
July-25	AAA
August-25	AAA
September-25	AAA

* Guaranteed by US government (AAA)

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: November 6, 2025

AGENDA ITEM CAPTION: Discuss rescheduling City Council meetings in 2026 due to conflicts with a city holiday or event.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Julie Bowermon

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: Annually reviewing council meeting dates for conflicts is important to provide Development Services with an accurate Council meeting schedule when publishing public notice information about public hearings, such as zoning change applications.

Attached is a calendar that reflects the meeting conflicts in 2026 as listed below:

Tuesday:

- October 6, 2026 - National Night Out
- November 3, 2026 - Election Day

The 2026 TML Annual Conference will be held on November 11 - 13 in San Antonio.

PROJECT SCHEDULE (if applicable): N/A

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: N/A

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: N/A

LIST OF SUPPORTING DOCUMENTS: 2026 Council meeting calendar

X = HOLIDAYS

○ = COUNCIL MEETINGS

□ : TML ANNUAL CONF

2026

⊗ = COUNCIL MEETING CONFLICT

- NOV 3RD = ELECTION DAY

- OCT = NATIONAL NIGHT OUT

January

S	M	T	W	T	F	S
				X	2	3
4	5	○ 6	7	8	9	10
11	12	13	14	15	16	17
18	~~19~~	○ 20	21	22	23	24
25	26	27	28	29	30	31

February

S	M	T	W	T	F	S
1	2	○ 3	4	5	6	7
8	9	10	11	12	13	14
15	~~16~~	○ 17	18	19	20	21
22	23	24	25	26	27	28

March

S	M	T	W	T	F	S
1	2	○ 3	4	5	6	7
8	9	10	11	12	13	14
15	16	○ 17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

April

S	M	T	W	T	F	S
			1	2	~~3~~	4
5	6	○ 7	8	9	10	11
12	13	14	15	16	17	18
19	20	○ 21	22	23	24	25
26	27	28	29	30		

May

S	M	T	W	T	F	S
					1	2
3	4	○ 5	6	7	8	9
10	11	12	13	14	15	16
17	18	○ 19	20	21	22	23
24	~~25~~	26	27	28	29	30
31						

June

S	M	T	W	T	F	S
	1	○ 2	3	4	5	6
7	8	9	10	11	12	13
14	15	○ 16	17	18	~~19~~	20
21	22	23	24	25	26	27
28	29	30				

July

S	M	T	W	T	F	S
			1	2	~~3~~	4
5	6	○ 7	8	9	10	11
12	13	14	15	16	17	18
19	20	○ 21	22	23	24	25
26	27	28	29	30	31	

August

S	M	T	W	T	F	S
						1
2	3	○ 4	5	6	7	8
9	10	11	12	13	14	15
16	17	○ 18	19	20	21	22
23	24	25	26	27	28	29
30	31					

September

S	M	T	W	T	F	S
		○ 1	2	3	4	5
6	X	8	9	10	11	12
13	14	○ 15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October

S	M	T	W	T	F	S
				1	2	3
4	5	⊗ 6	7	8	9	10
11	12	13	14	15	16	17
18	19	○ 20	21	22	23	24
25	26	27	28	29	30	31

OCT 6 = NNO

November

S	M	T	W	T	F	S
1	2	⊗ 3	4	5	6	7
8	9	10	□ 11	□ 12	□ 13	14
15	16	○ 17	18	19	20	21
22	23	24	25	~~26~~	~~27~~	28
29	30					

NOV 3RD = ELECTION DAY

TML CONF NOV 11-13 IN SAN ANTONIO

December

S	M	T	W	T	F	S
		○ 1	2	3	4	5
6	7	8	9	10	11	12
13	14	○ 15	16	17	~~18~~	~~19~~
20	21	22	23	~~24~~	~~25~~	26
27	28	29	30	31		

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: November 6, 2025

AGENDA ITEM CAPTION: Hold a PUBLIC HEARING and discussion and/or action on Ordinance 2025-26, for text amendments to Chapter 56, "Traffic & Vehicles" Article V, Section 56-313, "Residential Parking Permits," of the Lockhart Code of Ordinances to authorize creation of a residential parking permit area on Bowie Street from the intersection of S. Medina Street to the intersection of Travis Street between the hours of 8:00 a.m. and 5:00 p.m. on school days for Lockhart I.S.D.

ORIGINATING DEPARTMENT AND CONTACT: Police - Gary Williamson

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION: On September 2, 2025, Council approved Ordinance 2025-18 authorizing creation of the framework for a residential parking permit program, specifically regulating on-street parking in residential areas. The program does not automatically designate any parking restrictions. Instead, property owners would be required to petition the City Council for the creation of a residential permit parking area. Only upon council approval would a designated permit area be established.

On September 25, 2025, Mr. James Bertram submitted a petition to the city with signatures representing over 60% of the residences on Bowie Street from the intersection of S. Median Street to the intersection of Travis Street. The signatures have been verified. The parking restrictions for Bowie Street would be 8:00 a.m. to 5:00 p.m. on school days for Lockhart I.S.D. Ordinance 2025-26 amends ordinance 2025-18 to establish this parking permit area.

Public Works Director Sean Kelley has reviewed the application for compliance with applicable city ordinances as required by the ordinance.

Council may approve, reject or modify the request.

If approved, public works would erect signage indicating Bowie Street a Residential Parking Permit area and residents would be issued parking permits.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

City of Lockhart, Texas

Council Agenda Item
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FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION: On September 2, 2025, Council approved Ordinance 2025-18 authorizing creation of the framework for a residential parking permit program, specifically regulating on-street parking in residential areas.

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approval of the Bowie Street residential parking permit area.

LIST OF SUPPORTING DOCUMENTS: O2025-26 Amending Residential Parking Permit Ordinance, Map - Residential Parking Permit Area - Bowie Street

ORDINANCE NO. 2025-26

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, AMENDING ARTICLE V OF CHAPTER 56 OF THE CODE OF ORDINANCES CHAPTER 56 RESIDENTIAL PARKING PROGRAM, IS AMENDED TO ADD SECTION 56.313(b)(1) TO ADD DESIGNATED PARKING AREA A; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEALER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Lockhart, Texas ("City Council") finds that regulation of residential parking is necessary to protect the health, safety, and welfare of residents; and

WHEREAS, the City Council has received an application for designated parking area located on both sides of the 1000 Block of Bowie Street, beginning at its intersection with South Median Street and ending at its intersection with Travis Street and has conducted a public hearing on the matter; and

WHEREAS, the City Council finds it in the best interest of the City and its residents to adopt the following ordinance;

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

SECTION 1.

That the Code of Ordinances, City of Lockhart, Texas, is hereby amended by adding a section to be numbered Sec. 56.313(b)(1), which section reads as follows:

Sec. 56.313. Residential Parking Program

(b) Designated permit areas
No person shall park and leave standing any vehicle on a public roadway, whether attended or unattended, between the times listed and locations designated below without first having obtained a valid parking permit for the designated permit area from the city. Said designated permit area shall be designated as a tow-away zone. Appropriate signage shall be posted in accordance with Texas Transportation Code § 684.052 before enforcement or towing actions occur.

1. Designated Permit Area A is located on both sides of the 1000 Block of Bowie Street, beginning at its intersection with South Median Street and ending at its intersection with Travis Street. A valid parking permit is required to park in Area A between the hours of 8:00 a.m. and 5:00 p.m. on regularly scheduled class days for Lockhart Independent School District as shown on the official student academic calendar.

SECTION 2. SEVERABILITY

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect the other provisions, sections, or applications of the ordinance that can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are declared to be severable.

SECTION 3. REPEALER

All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of the conflict only.

SECTION 4. EFFECTIVE DATE

This ordinance shall take effect immediately upon its passage and publication as provided by law.

PASSED AND APPROVED on this ___ day of _____, 2025.

CITY OF LOCKHART, TEXAS

_____
LEW WHITE, Mayor

ATTEST:

_____
JULIE BOWERMON, City Secretary

APPROVED AS TO FORM:

_____
BRADFORD E. BULLOCK, City Attorney

Residential Parking Permit Area - Bowie Street

Residential Parking Permit Area

Required Permit Area for On-Street Parking

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: November 6, 2025

AGENDA ITEM CAPTION: Approve Resolution 2025-37 requiring approval by the City Council of the City of Lockhart for the 2025 Certified Property Tax Roll.

ORIGINATING DEPARTMENT AND CONTACT: Finance -

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: Section 26.09 of the Property Tax Code requires approval by the City Council for the Certified Property Tax Roll, with the amount presented by the Caldwell County Appraisal District for 2025 tax year.

The 2025 Certified Property Tax Roll contains final amounts due totaling $10,141,629.50 ($2,613,651.96 for debt service).

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION:

LIST OF SUPPORTING DOCUMENTS: 2025 Tax Roll Approval - City of Lockhart

RESOLUTION 2025-37

A RESOLUTON OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, APPROVING THE CITY OF LOCKHART APPRAISAL ROLL WITH TAX AMOUNTS ENTERED BY THE ASSESSOR, FOR THE TAX YEAR 2025.

WHEREAS, Section 26.09 of the Property Tax Code requires approval of the City Council of the City of Lockhart appraisal roll with tax amounts entered by the assessor, for the tax year 2025, and

WHEREAS, such roll was presented to the City of Lockhart on November 6, 2025, and appears in all things correct as under the applicable laws of the State of Texas, and

WHEREAS, said City Council voted in open session to approve said roll.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, that the appraisal roll with amounts due totaling $10,141,629.50 for the year 2025 is approved and is the tax roll for the City of Lockhart for the year 2025.

PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, ON THIS THE 6th DAY OF November 2025.

CITY OF LOCKHART

_____
Lew White, Mayor

Attest:

_____
Julie Bowerman, City Secretary

APPROVED AS TO FORM:

_____
Brad Bullock, City Attorney

Caldwell County Appraisal District

10/20/25

City of Lockhart
City Manager
PO Box 239
Lockhart TX 78644

RE: Resolution for 2025 tax roll

I have enclosed for your use a resolution to be used for approval of the 2025 tax roll, along with a copy of the totals from the tax roll. The resolution should be adopted at the next meeting of your governing body as formal approval of the 2025 tax roll. Kindly send the adopted resolution via email to Vicki Schneider at vickis@caldwellcad.org or to my email address at shannar@caldwellcad.org within ten days following its adoption.

If you have any questions, please feel free to contact me at (512) 398-5550 ext #207.

Thank you,

Shanna Ramzinski
Chief Appraiser

Encl: Resolution
Levy Totals

211 Bufkin Ln
P.O. Box 900
Lockhart, Texas 78644
United States

PHONE (512) 398-5550
FAX (512) 398-5551
E-MAIL general@caldwellcad.org
WEB SITE www.caldwellcad.org

Caldwell County

2025 LEVY TOTALS

CLH - City of Lockhart

Property Count: 7,644 10/8/2025 3:02:57PM

Land	Value
Homesite:	243,859,541
Non Homesite:	346,096,672
Ag Market:	147,100,870
Timber Market:	0

Total Land	(+)	737,057,083

Improvement	Value
Homesite:	725,629,314
Non Homesite:	900,287,446

Total Improvements	(+)	1,625,916,760

Non Real	Count	Value
Personal Property:	752	121,976,880
Mineral Property:	12	61,731
Autos:	0	0

Total Non Real	(+)	122,038,611
Market Value	=	2,485,012,454

Ag	Non Exempt	Exempt
Total Productivity Market:	147,100,870	0
Ag Use:	528,072	0
Timber Use:	0	0
Productivity Loss:	146,572,798	0

Productivity Loss	(-)	146,572,798
Appraised Value	=	2,338,439,656
Homestead Cap	(-)	83,427,584
23.231 Cap	(-)	31,411,771
Assessed Value	=	2,223,600,301
Total Exemptions Amount (Breakdown on Next Page)	(-)	313,959,843
Net Taxable	=	1,909,640,458

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count
DP	20,590,115	18,778,989	76,442.42	81,450.72	99
OV65	276,776,041	256,775,633	962,819.03	981,325.96	1,087
Total	297,366,156	275,554,622	1,039,261.45	1,062,776.68	1,186
Tax Rate	0.5541000				

Freeze Taxable	(-)	275,554,622
Freeze Adjusted Taxable	=	1,634,085,836

Levy Info			
M&O Rate:	0.4113000	M&O Tax:	7,527,977.54
I&S Rate:	0.1428000	I&S Tax:	2,613,651.96
Protected I&S Rate:	0.0000000	Protected I&S Tax:	0.00
		Ag Penalty:	0.00
		PP Late Penalty:	0.00
		Late Correction Penalty:	0.00
Tax Increment Finance Value:			0
Tax Increment Finance Levy:			0.00

Total Levy		10,141,629.50

Exemption Breakdown

Exemption	Count	Local	State	Total
DP	105	0	0	0
DV1	29	0	250,000	250,000
DV2	18	0	160,500	160,500
DV3	29	0	219,000	219,000
DV4	97	0	688,377	688,377
DV4S	2	0	24,000	24,000
DVHS	108	0	33,667,653	33,667,653
DVHSS	1	0	226,400	226,400
EX	9	0	3,892,836	3,892,836
EX-XA	1	0	16,846,669	16,846,669
EX-XD	2	0	127,350	127,350
EX-XF	3	0	45,350	45,350
EX-XG	3	0	3,835,613	3,835,613
EX-XL	2	0	283,080	283,080
EX-XR	5	0	25,511,150	25,511,150
EX-XU	1	0	1,159,420	1,159,420
EX-XV	203	0	212,734,000	212,734,000
EX-XV (Prorated)	1	0	160,149	160,149
EX366	130	0	135,550	135,550
FR	4	1,098,912	0	1,098,912
HT	4	1,294,342	0	1,294,342
OV65	1,162	11,065,638	0	11,065,638
OV65S	6	60,000	0	60,000
SO	37	473,854	0	473,854
	Totals	**13,992,746**	**299,967,097**	**313,959,843**

Land	Value
Homesite:	454,290
Non Homesite:	2,063,230
Ag Market:	0
Timber Market:	0

Improvement	Value
Homesite:	1,282,910
Non Homesite:	6,863,748

Non Real	Count	Value
Personal Property:	0	0
Mineral Property:	0	0
Autos:	0	0

Ag	Non Exempt	Exempt
Total Productivity Market:	0	0
Ag Use:	0	0
Timber Use:	0	0
Productivity Loss:	0	0

Total Land	(+)	2,517,520
Total Improvements	(+)	8,146,658
Total Non Real	(+)	0
Market Value	=	10,664,178
Productivity Loss	(-)	0
Appraised Value	=	10,664,178
Homestead Cap	(-)	2,692
23.231 Cap	(-)	2,017,130
Assessed Value	=	8,644,356
Total Exemptions Amount (Breakdown on Next Page)	(-)	0
Net Taxable	=	8,644,356

Tax Increment Finance Value:	0
Tax Increment Finance Levy:	0.00

Exemption Breakdown

Exemption	Count	Local	State	Total
	Totals			

Land	Value
Homesite:	244,313,831
Non Homesite:	348,159,902
Ag Market:	147,100,870
Timber Market:	0

Improvement	Value
Homesite:	726,912,224
Non Homesite:	907,151,194

Non Real	Count	Value
Personal Property:	752	121,976,880
Mineral Property:	12	61,731
Autos:	0	0

Ag	Non Exempt	Exempt
Total Productivity Market:	147,100,870	0
Ag Use:	528,072	0
Timber Use:	0	0
Productivity Loss:	146,572,798	0

Total Land	(+)	739,574,603
Total Improvements	(+)	1,634,063,418
Total Non Real	(+)	122,038,611
Market Value	=	2,495,676,632
Productivity Loss	(-)	146,572,798
Appraised Value	=	2,349,103,834
Homestead Cap	(-)	83,430,276
23.231 Cap	(-)	33,428,901
Assessed Value	=	2,232,244,657
Total Exemptions Amount (Breakdown on Next Page)	(-)	313,959,843
Net Taxable	=	1,918,284,814

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count
DP	20,590,115	18,778,989	76,442.42	81,450.72	99
OV65	276,776,041	256,775,633	962,819.03	981,325.96	1,087
Total	297,366,156	275,554,622	1,039,261.45	1,062,776.68	1,186
Tax Rate	0.5541000				

Freeze Taxable	(-)	275,554,622
Freeze Adjusted Taxable	=	1,642,730,192

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SO	37	473,854	0	473,854
	Totals	**13,992,746**	**299,967,097**	**313,959,843**

2025 LEVY TOTALS

CLH - City of Lockhart

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: November 6, 2025

AGENDA ITEM CAPTION: Approve Resolution 2025-36, finding that Texas Gas Service Company's, a division of One Gas, Inc., Central-Gulf Service Area, statement of intent to increase rates filing within the City should be denied.

ORIGINATING DEPARTMENT AND CONTACT: Finance - Keeli Michna

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION:

On June 30, 2025, Texas Gas Service Company (TGS or Company) filed a Statement of Intent to Increase Rates application with each of the cities in their Central-Gulf, West North, and Rio Grande Valley service areas. In the filing, the Company asserted that it is entitled to a $41.1 million increase or a 9.83% increase over current adjusted revenues, excluding gas costs.

In June, the Cities Served by Texas Gas Service Company (TGS Cities) engaged the services of consultants to review the Company's filing. The consultants identified numerous unreasonable expenses and proposed significant reductions to the Company's request. Accordingly, TGS Cities' attorney recommends that all TGS Cities members adopt the Resolution denying the rate change. Once the Resolution is adopted, TGS will have 30 days to appeal the decision to the Railroad Commission where the appeal will be consolidated with TGS' filing for the environs and those cities that have relinquished their jurisdiction (i.e. Gas Utility Docket 28202) currently pending at the Railroad Commission.

Under the law, cities with original jurisdiction over this matter have 125 days from the initial filing to take final action on the application. By the agreement of the parties, this deadline was suspended until November 17, 2025. As such, all cities with original jurisdiction will need to adopt the resolution no later than November 17.

Accordingly, the purpose of the Resolution 2025-36 is to deny the rate application proposed by TGS.

Explanation of "Be It Resolved" Sections:

Section 1. This paragraph finds that the Company's application is unreasonable and should be denied.

Section 2. This section states that the Company's current rates shall not be changed.

Section 3. The Company will reimburse Cities for their reasonable rate case expenses. Legal counsel and consultants, approved by the TGS Cities will submit monthly

invoices that will be forwarded to TGS for reimbursement. .

Section 4. This section merely recites that the Resolution was passed at a meeting that was open to the public and that the consideration of the Resolution was properly noticed.

Section 5. This section provides TGS and counsel for the cities will be notified of the City's action by sending a copy of the approved and signed resolution to counsel.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Approval of Resolution 2025-23.

LIST OF SUPPORTING DOCUMENTS: Resolution 2025-36

RESOLUTION NO. 2025-36

A RESOLUTION OF THE CITY OF LOCKHART, TEXAS FINDING THAT TEXAS GAS SERVICE COMPANY'S, A DIVISION OF ONE GAS, INC., STATEMENT OF INTENT TO INCREASE RATES FILING WITHIN THE CITY SHOULD BE DENIED; FINDING THAT THE CITY'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.

WHEREAS, the City of Lockhart,Texas ("City") is a gas utility customer of Texas Gas Service Company, a Division of ONE Gas, Inc., ("TGS" or "Company") within the unincorporated areas of the Central-Gulf, West North, and Rio Grande Valley Service Area, and a regulatory authority with an interest in the rates and charges of TGS; and

WHEREAS, the City is a member of Cities Served by Texas Gas Service Company (such participating cities are referred to herein as "TGS Cities"), a coalition of similarly situated cities served by TGS that have joined together to efficiently and cost effectively review and respond to natural gas issues affecting rates charged in TGS' Central-Gulf, West North, and Rio Grande Valley Service Area; and

WHEREAS, on or about June 30, 2025, TGS filed with the City a Statement of Intent to Increase Rates seeking to increase natural gas revenues by $41.1 million annually and to all customers residing in the City; and

WHEREAS, TGS Cities has coordinated its review of TGS' Statement of Intent filing and designated attorneys and consultants to resolve issues in the Company's filing; and

WHEREAS, through review of the application, TGS Cities' consultants determined that TGS' proposed rates are excessive; and

WHEREAS, TGS Cities' members and attorneys recommend that TGS Cities members deny the Statement of Intent; and

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

SECTION 1. That the rates proposed by TGS to be recovered through its gas rates charged to customers located within the City limits, are hereby found to be unreasonable and shall be denied.

SECTION 2. That the Company shall continue to charge its existing rates to customers within the City.

SECTION 3. That the City's reasonable rate case expenses shall be reimbursed in full by TGS within 30 days of the adoption of this Resolution.

SECTION 4. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

SECTION 5. That a copy of this Resolution shall be sent to TGS representatives Judy Hitchye, Texas Gas Service Company, Barton Skyway IV, 1301 S. Mopac, Suite 400, Austin, Texas 78746 (Judy.Hitchye@onegas.com), and to Thomas Brocato at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 (tbrocato@lglawfirm.com).

PASSED AND APPROVED this 6th day of November, 2025.

_____
Lew White
Mayor, City of Lockhart

ATTEST:

_____
Julie Bowermon, City Secretary

APPROVED AS TO FORM:

_____
Brad Bullock, City Attorney

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: November 6, 2025

AGENDA ITEM CAPTION: Accept the 4th Quarter Fiscal Year 2025 Investment Report.

ORIGINATING DEPARTMENT AND CONTACT: Finance - Keeli Michna

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: The Texas Public Funds Investment Act requires local governments to review and accept the quarterly investment reports for each quarterly reporting period of the fiscal year. The 4th Quarter Investment Report of Fiscal Year End (FYE) 2025, ending September 30, 2025 is presented for your review and acceptance.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends a motion to accept the 4th Quarter Investment Report for FYE 2025.

LIST OF SUPPORTING DOCUMENTS: FYE 2025 4th Quarter Report

CITY OF LOCKHART

Quarterly Investment Report
For the Quarter Ended September 30, 2025

November 4, 2025

CITY of LOCKHART

Quarterly Investment Report

For the Quarter Ended September 30, 2025

This report is presented in accordance with the Texas Government Code, Title 10, Chapter 2256, Public Funds Investment; Section 2256.023 known as the "Public Funds Investment Act". Attached is a detailed City of Lockhart investment report for the period July 1, 2025 through September 30, 2025. The Investment Portfolio Summary reports the beginning and ending book values and market values for the quarterly reporting period as follows:

	Investment Portfolio	
	Book Value	**Market Value**
July 1, 2025		
Cash	428,390	428,390
Marketable Securities	0	0
Investment Pools	38,389,390	38,387,757
Certificates of Deposits	0	0
Total:	**38,817,780**	**38,816,147**
September 30, 2025		
Cash	750,869	750,869
Marketable Securities	0	0
Investment Pools	55,362,366	55,373,734
Certificates of Deposits	0	0
Total:	**56,113,235**	**56,124,603**

	Fund Availabilty	
July 1, 2025		
Unrestricted Funds	7,659,002	7,659,002
Restricted Funds	31,158,778	31,157,145
Total Funds	**38,817,780**	**38,816,147**
September 30, 2025		
Unrestricted Funds	6,355,001	6,355,001
Restricted Funds	49,758,234	49,769,602
Total Funds	**56,113,235**	**56,124,603**

The investment portfolio, at all times during the quarter, complied with the Public Funds Investment Act and the City of Lockhart Investment Policy. TexPool, Texas CLASS and TexSTAR were also in compliance with the Public Funds Investment Act and the City of Lockhart Investment Policy throughout the quarter.

Joseph Resendez
City Manager

Keeli Michna
Finance Director

CITY of LOCKHART

Investment Portfolio Summary

For the Quarter Ended September 30, 2025

	12/31/2024			
	9/30/2024	% of Total	Market Value	% of Total
July 1, 2025				
Cash	428,390	1.1%	428,390	1.1%
Marketable Securities	0	0.0%	0	0.0%
Investment Pools	38,389,390	98.9%	38,387,757	98.9%
Certificates of Deposits	0	0.0%	0	0.0%
Portfolio Total	**38,817,780**	**100.0%**	**38,816,147**	**100.0%**
September 30, 2025				
Cash	750,869	1.3%	750,869	1.3%
Marketable Securities	0	0.0%	0	0.0%
Investment Pools	55,362,366	98.7%	55,373,734	98.7%
Certificates of Deposits	0	0.0%	0	0.0%
Portfolio Total	**56,113,235**	**100.0%**	**56,124,603**	**100.0%**
Change in Value				
Cash	322,479		322,479	
Marketable Securities	0		0	
Investment Pools	16,972,976		16,985,977	
Certificates of Deposits	0		0	
Portfolio Total	**17,295,455**		**17,308,456**	
	0			

Maturity Data	Book Value @ 9/30/2025	Weighted Average Maturity	Yield to Maturity
Cash	750,869	0 Days	1.00%
Marketable Securities	0	0 Days	0.00%
Investment Pools - Texas CLASS	21,389,773	43 Days *	4.43%
Investment Pools - TexPool	17,200,620	44 Days *	4.25%
Investment Pools - TexSTAR	16,771,973	49 Days *	4.21%
Certificates of Deposits	0	0 Days	0.00%
	56,113,235	45 Days	4.26%

Benchmark - 6 Week Treasury Bills - Secondary Market @ September 30, 2025 4.10%

* Weighted Average Maturity of Pool Investments - City funds are available from pools upon request.

Total Return On Investment	Interest Earned
Cash	2,029
Marketable Securities	0
Investment Pools - Texas CLASS	150,073
Investment Pools - TexPool	81,313
Investment Pools - TexSTAR	84,688
Certificates of Deposits	0
Total Return on Investment	318,103

CITY OF LOCKHART

Cash Accounts (as reconciled to FLNB)

For the Quarter Ended September 30, 2025

General Operating Account - FLNB		
		Value
July 1, 2025	$	428,390
Deposits		18,058,507
Withdrawals		(17,738,057)
Interest Earned		2,029
September 30, 2025	$	750,869

Total Cash Accounts		
		Value
July 1, 2025	$	428,390
Deposits		18,058,507
Withdrawals		(17,738,057)
Interest Earned		2,029
September 30, 2025	$	750,869

CITY of LOCKHART
Marketable Securities Transaction Summary
For the Quarter Ended September 30, 2025

Type of Security	CUSIP	Purchase Date	Par Value	Coupon 0.34%	Date of Maturity	Yield to Maturity	Purchase Price	Quarterly Interest Earned	Beginning Value @ Par	Beginning Book Value	Beginning Market Value	Ending Value @ Par	Ending Book Value	Ending Market Value
								-	July 1, 2025			September 30, 2025		0
								-						0
Totals			$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Purchases

0.22%

Type of Security	CUSIP	Purchase Date	Par Value	Coupon Rate	Date of Maturity	Yield to Maturity	Settlement Total	Price	Accrued Interest
Totals			$ -				$ -		$ -

Maturities

	Purchase Date	Par Value	Coupon Rate	Date of Maturity	Yield to Maturity	Settlement Total
$ -						
Totals		$ -	0.59%			$ -

CITY OF LOCKHART

Investment Pool Transactions Summary

For the Quarter Ended September 30, 2025

TexPool - City of Lockhart					
	Book Value	Market Value	Net Asset Value	Weighted Aver. Maturity	Average Monthly Yield
July 1, 2025	7,462,405	7,462,405	1.000000	38 Days	4.3000%
Deposits	27,392,854				
Withdrawals	(17,735,952)				
Interest Earned	81,313				
September 30, 2025	17,200,620	17,203,716	1.000180	44 Days	4.2500%

Texas CLASS					
	Book Value	Market Value	Net Asset Value	Weighted Aver. Maturity	Average Monthly Yield
July 1, 2025	21,239,701	21,238,677	0.999952	37 days	4.4532%
Deposits	4,000,000				
Withdrawals	(4,000,000)				
Interest Earned	150,073				
September 30, 2025	21,389,773	21,393,919	1.000194	43 days	4.4294%

TexSTAR					
	Book Value	Market Value	Net Asset Value	Weighted Aver. Maturity	Average Monthly Yield
July 1, 2025	9,687,285	9,686,674	0.999937	41 Days	4.2954%
Deposits	7,000,000				
Withdrawals	0				
Interest Earned	84,688				
September 30, 2025	16,771,973	16,776,099	1.000246	49 Days	4.2135%

Total of All Pools		
	Book Value	Market Value
July 1, 2025	38,389,390	38,387,757
Deposits	38,392,854	
Withdrawals	(21,735,952)	
Interest Earned	316,074	
September 30, 2025	55,362,366	55,373,734

CITY of LOCKHART
Certificates of Deposit Transaction Summary
For the Quarter Ended September 30, 2025

Holdings During the Quarter

CD Number	Holder	Purchase Date	Face Value	Interest Rate	Date of Maturity	Yield to Maturity	Purchase Price	Quarterly Interest Earned	Beginning Face Value July 1, 2025	Beginning Market Value July 1, 2025	Ending Face Value September 30, 2025	Ending Market Value September 30, 2025
			$ -				$ -	$ -	$ -	$ -	$ -	$ -

Purchases

CD Number	Holder	Purchase Date	Face Value	Interest Rate	Date of Maturity	Yield to Maturity	Purchase Price
			$ -				$ -

Maturities

CD Number	Holder	Purchase Date	Face Value	Interest Rate	Date of Maturity	Yield to Maturity	Settlement Total
			$ -				$ -

City of Lockhart

Investment Pools

Standard and Poor's Ratings

Month	TexPool	TexSTAR	Texas CLASS
October-24	AAAm	AAAm	AAAm
November-24	AAAm	AAAm	AAAm
December-24	AAAm	AAAm	AAAm
January-25	AAAm	AAAm	AAAm
February-25	AAAm	AAAm	AAAm
March-25	AAAm	AAAm	AAAm
April-25	AAAm	AAAm	AAAm
May-25	AAAm	AAAm	AAAm
June-25	AAAm	AAAm	AAAm
July-25	AAAm	AAAm	AAAm
August-25	AAAm	AAAm	AAAm
September-25	AAAm	AAAm	AAAm

City of Lockhart

Bank Collateralization

Standard and Poor's Ratings

Month	FLNB Collateralization *
October-24	AAA
November-24	AAA
December-24	AAA
January-25	AAA
February-25	AAA
March-25	AAA
April-25	AAA
May-25	AAA
June-25	AAA
July-25	AAA
August-25	AAA
September-25	AAA

* Guaranteed by US government (AAA)

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: November 6, 2025

AGENDA ITEM CAPTION: Discussion and/or action to consider authorizing the approval of a Texas A&M Forest Service Rural Volunteer Fire Department Assistance Program cost-share reimbursement grant for a small brush truck.

ORIGINATING DEPARTMENT AND CONTACT: Fire - Randy Jenkins

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: The Rural Volunteer Fire Department Assistance Program was established in 2001 (HB 2604) to assist small volunteer/combination fire departments with the purchase of equipment and/or training. During the 89th Texas Legislative session, lawmakers approved an appropriation of $192 million to address outstanding requests submitted to the program before November 7, 2024. Typically, it would take 10 years to obtain funding for brush trucks in the grant program.

The cost-share reimbursement grant is for 95% of the actual cost of a small brush truck, not to exceed $165,000. Once the brush truck is delivered to Lockhart, proof of purchase is provided, and the brush truck is inspected by the Texas A&M Forest Service, the reimbursement will occur. The small brush truck must meet the minimum standards outlined by the Texas A&M Forest Service and remain in firefighting service for a minimum of 10 years.

If the grant is approved, the specifications will be developed, an apparatus manufacturer will be selected, and the item will be brought back to City Council for purchase approval. The grant expires on October 14, 2026.

Texas A&M Forest Service grants for fire and rescue equipment, personal protection equipment (PPE), and training aids which Lockhart has applied for will be awarded across the next several months.

PROJECT SCHEDULE (if applicable): The brush truck grant expires on October 14, 2026. Due to the large number of brush trucks funded, the deadline may be extended.

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION: /

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approving the Texas A&M Forest Service Rural Volunteer Fire Department Assistance Program cost-share

reimbursement grant for a small brush truck.

LIST OF SUPPORTING DOCUMENTS: TFS Grant Guidelines

Truck Guidelines

Rural Volunteer Fire Department Assistance Program

All fire departments receiving cost-share funding for the purchase of a vehicle must comply with the following special requirements:

1. All department personnel must be trained in the proper operation and maintenance of trucks, pumps, systems, and related equipment. Personnel training must be documented.
2. All vehicles acquired under this program must be maintained in firefighting service for a period of 10 years from the reimbursement check date. If a cost-shared vehicle is sold before the end of its 10-year service life under this program, the grant recipient may be required to reimburse the program for 90% of the proceeds from the sale of the vehicle. The grant recipient must notify TFS in advance and must obtain clearance to sell or transfer a grant vehicle before the end of its 10-year service life. The Funding Committee may waive on a case-by-case basis the requirement that 90% of the sale proceeds be returned to the program. Recipients receiving transferred vehicles prior to the end of their 10 year service life shall be subject to the terms and conditions as described in this section.
3. All vehicles must be meet the minimum standards as described in the attachment “Minimum Standards and Specifications for Firefighting Vehicles.”
4. An Affidavit of Non-Collusion (page 2) must be completed, signed, and notarized by the seller of the vehicle. The Fire Department must submit the completed affidavit to the Texas A&M Forest Service before a grant reimbursement may be paid.
5. The purchase of pre-owned vehicles and equipment requires advance evaluation and approval by the Texas A&M Forest Service. An applicant must contact the Capacity Building Department before purchasing a used vehicle or used equipment. Failure to receive this special advance clearance may void your grant approval.
6. Vehicles purchased, paid in full, prior to the award date are ineligible for reimbursement under this program.

Responsibilities of the Fire Department Following Notice of Grant Approval:

1. Accept the award via FireConnect.
2. Purchase the approved item(s). *Remember to obtain special approval for a pre-owned vehicle.*
3. Submit for Reimbursement via FireConnect, and upload the following supporting documents:
    - Affidavit of Non-Collusion
    - Proof of Payment
        - Copies of Signed Check(s)
        - Credit Card Receipt(s)
        - Paid Vendor Invoice(s) showing the last 4 digits of credit card used
        - Bank/Credit Card Statement(s) Showing the Purchase
4. A member of our Field Staff must perform an inspection of the vehicle at the fire station before a grant reimbursement can be issued.
5. Grants for firefighting vehicles will expire **12 months** from the approval date. Extensions may be available upon request via FireConnect.

STATE OF
COUNTY OF

GENERAL AFFIDAVIT BEFORE NOTARY

AFFIDAVIT OF NON-COLLUSION

SELLER		PURCHASER	
Name:		Name:	
Address:		Address:	
Phone:		Phone:	

VEHICLE INFORMATION

Year: Make: Model:

VIN:

Date of Sale: Total Sale Price: $

I, , the undersigned, being the duly authorized agent of the Seller, , swear that the foregoing information is true and correct to the best of my knowledge, information, and belief, and that this document correctly states the total amount of consideration for the transfer of this vehicle. I further affirm that neither I nor the above business has been a party to any collusion with the Purchaser as to the Total Sale Price of the vehicle. I further affirm that the Total Sale Price is genuine, and is not a sham or collusive price made in the interest or on behalf of any person, and that the Seller has not directly or indirectly been induced or solicited to submit a sham Total Sale Price.

By: _____ Date: _____
(Signature)

_____
Title

STATE OF
COUNTY OF

Subscribed and sworn to before me this day of , 20 .

_____ _____
Signature of Notary Public My Commission Expires

Minimum Standards and Specs for Firefighting Vehicles

All vehicles funded under this program must be fire suppression vehicles and must meet the following minimum standards. These standards are developed to establish broad equipment categories for funding and review. They are not intended as "bid ready" equipment specifications. Departments are strongly encouraged to add capabilities and features required to meet local needs.

WEIGHT AND BALANCE

The fully loaded and equipped operating weight of the vehicle must not exceed the Gross Vehicle Weight Rating (GVWR) of the vehicle as determined by the manufacturer, nor the Gross Axle Weight Rating (GAWR) of the vehicle as determined by the manufacturer. The vehicle weight must be balanced so that the vehicle is easy to control. The vehicle center-of-gravity must be low enough to safely operate in curves and on side slopes. The vehicle must have effective brakes that can stop the vehicle without brake fade.

TANKS

- All vehicles must have a water tank with a minimum capacity of 200 gallons.
- All water tanks must be baffled.
- All water tanks constructed of mild steel must be protected from corrosion.

Small Brush Truck
Design Minimums

200 Gallon Water Tank
100 GPM Pump @ 100 psi
Ability to draft water at a minimum of 12 vertical feet
2.5" pump discharge
Minimum ¾ ton chassis

Ultra High Pressure Option

200 Gallon Water Tank
6 GPM Pump @ 1100 psi
Minimum ¾ ton chassis

Large Brush Truck (2.5/5 Ton Military)
Design Minimums

500 Gallon Water Tank
250 GPM Pump @ 40 psi
Ability to draft water a minimum of 12 vertical feet
2.5" pump discharge
Minimum 22,000 pound GVWR chassis

Ultra High Pressure Option

500 Gallon Water Tank
6 GPM Pump @ 1100 psi
Minimum 22,000 pound GVWR chassis

Water Tender
Design Minimums

1,000 Gallon Water Tank
250 GPM Pump @ 40 psi
Minimum Dump Valve of 4.5 inch (round or square)*
Ability to draft water a minimum of 12 vertical feet
2.5" pump discharge
Minimum 22,000 pound GVWR chassis

*In place of a gravity dump valve, a dedicated, hard-piped 3" or larger discharge may be used, supplied by a pump rated at a minimum of 750 GPM @ 40 psi.

OTHER INFORMATION

- All slippery surfaces where personnel will step must have skid plates or abrasive surfaces to prevent personnel from slipping under wet conditions.
- Vehicle must have back-up alarm.
- Vehicle must have illuminated pump controls.
- Vehicle must have vehicle lighting and markings as required by law.
- Pumper conversions are allowed, provided they still meet the design minimums.

Notice to Purchasers of New Fire Trucks

These guidelines apply for those purchasing a truck in Texas.

The sale and lease of new motor vehicles in Texas is regulated by the Texas Occupations Code, Title 14, Regulation of Motor Vehicles and Transportation, Chapter 2301, Sale or Lease of Motor Vehicles. The law is administered and enforced by the Texas Department of Transportation (TXDOT).

The law requires that vehicle manufacturers, converters, representatives, and franchised dealers be properly licensed and that they comply with certain standards of conduct.

According to TXDOT interpretations, a franchised dealer, and only a franchised dealer, is legally allowed to sell a new fire truck in Texas. This applies whether the truck offered for sale is a manufactured vehicle or a converted vehicle.

Manufactured Vehicles

A fire truck that meets or exceeds the legal definition of a “fire-fighting vehicle” is considered a manufactured product and the entity that builds it is considered a “manufacturer”.

Manufacturers cannot sell motor vehicles directly to consumers in Texas, including municipalities, and must have at least one franchised dealer located in the state in order to maintain their license.

Converted Vehicles

A fire truck that does not meet the legal definition of a “fire-fighting vehicle” is considered a converted product (conversion). It is a new motor vehicle chassis that has something substantial done to it prior to being sold to an end-user. The entity that builds it is considered a “converter”.

Neither converters nor their representatives are allowed to sell converted vehicles directly to consumers. A new fire truck that is considered a conversion may only be sold to an end-user, including a municipality, by a Texas dealer franchised and licensed to sell the make of the chassis of the converted product.

A licensed, franchised dealer must be listed as the seller or bidder of a new vehicle. This dealer must invoice the end-user for the entire purchase price of the vehicle including the conversion package, must obtain payment for the entire purchase price, and must perform the title work on the completed vehicle.

What Should A Fire Department Do?

1. Comply with the law:
    - Determine that the manufacturer or converter of a fire truck is properly licensed to do business in Texas.
    - Determine that the fire truck is to be sold to the end-user by a licensed franchised dealer.
2. Contact Texas Department of Motor Vehicles for information:
    Telephone: 1-888-368-4689
    Website: https://www.txdmv.gov/dealers

Texas A&M Forest Service is providing this notice for educational purposes only, in an effort to promote compliance with the law. The final authority for communication, interpretation, and enforcement resides with the Texas Department of Motor Vehicles. Buyers and sellers of new fire trucks are encouraged to contact TXDOT directly for clarification and guidance.

TEXAS A&M FOREST SERVICE

Updated 8/4/2025

BEST PRACTICES FOR WORKING WITH FIRE TRUCK CONVERTERS

Research and get feedback from other fire departments that have done business with the vendor(s) you are considering

Have a detailed, written contract with a completion date

Be cautious of paying up front for incomplete work

Make sure the work you're requesting is within the vendor's area of expertise

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: November 6, 2025

AGENDA ITEM CAPTION: Discussion and/or action to authorize the purchase and replacement of three (3) circuit breakers at the Lockhart Substation as identified in the LCRA Five-Year System Study.

ORIGINATING DEPARTMENT AND CONTACT: Electric - Bobby Leos

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: As outlined in the LCRA Five-Year System Study, replacement of the existing Siemens SDV4-A circuit breakers at the Lockhart Substation is recommended due to reliability and maintenance issues. The existing breakers, installed in 2002, have experienced multiple unplanned trips and require manual intervention to restore power, leading to extended outage durations.

The proposed purchase and project will replace three (3) circuit breakers with new Siemens SDV7-SE 15.5kV-20kA units, which will improve system reliability, reduce maintenance frequency, and enhance overall substation performance. The upgrade aligns with the City's ongoing efforts to modernize electric infrastructure and maintain dependable service to residents and businesses.

The City's agreement with LCRA includes coordination of material procurement through Techline, Inc., which will supply the Siemens breakers under LCRA's cooperative purchasing program. The total cost for the material is $92,882.94, with an estimated lead time of 26–30 weeks from issuance of the purchase order. If approved, delivery is anticipated between May and June 2026, allowing for installation and testing prior to peak summer load demands.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required: 92,882.94
Account Number:
Funds Available: 92,882.94
Account Name:

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

STAFF RECOMMENDATION/REQUESTED MOTION: Electric Superintendent recommends approval.

LIST OF SUPPORTING DOCUMENTS: Quote for Three (3) Circuit Breakers

TECHLINE Inc.
9609 Beck Circle • Austin, Texas 78758 • Phone: (512) 833-5401

City of Lockhart Breaker Quote 10-06-2025			Estimated Lead Time: 26-30 Weeks ARO		
Product	Description	UOM	Qty	Price	Extended Price
SDV7-SE 15.5kV-20kA-1200A	15.5kV, 1200A (ANSI), 20kA, 52 Peak kA	ea	3	$ 30,960.98	$ 92,882.94
Quote Expires: 10-27-2025		Subject to Prior Sale		Total:	$ 92,882.94

BREAKERS FOR SUBSTATION.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: November 6, 2025

AGENDA ITEM CAPTION: Discussion and/or action regarding a Ground Lease Agreement with Lockhart Air Partners, LLC, for construction of a 10,000-square-foot hangar at the Lockhart Municipal Airport.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: Lockhart Air Partners, LLC approached the City regarding development of lease space at the Lockhart Municipal Airport for the construction of a 10,000-square-foot hangar. The hangar would be located on the north side of the existing aircraft tie-down area and serve as the fixed-base operation (FBO) for Lockhart Air Partners. Planned uses include flight training services, aircraft rentals, and leasing of hangar space to pilots.

The proposed Ground Lease Agreement establishes a 30-year lease term, with two optional five-year extensions subject to City approval. The lessee agrees to pay an annual ground lease rate of $0.25 per square foot for the 10,000-square-foot area—totaling $2,500 per year—with a 10% escalation every five years. Construction must commence within one year of the agreement's effective date and be completed within one year thereafter, consistent with the City's adopted Airport Construction Standards. The lessee will also construct and maintain a paved aircraft ramp area at its sole expense.

Under the proposed ground lease, Lockhart Air Partners assumes full responsibility for all improvements, maintenance, and repairs within the leased premises, including the hangar, ramp area, utilities, landscaping, and erosion control. The lessee is required to maintain the site in a safe and orderly condition and comply with all applicable City, State, and FAA regulations. The City retains ownership of the underlying property and reserves rights of inspection, airspace use, and future utility easements but will not contribute to or fund any construction or maintenance costs associated with the private hangar improvements.

Lockhart Air Partners intends to expand its operations in future phases to include Jet A fuel sales and additional hangar development, further supporting general aviation growth at the Airport. The proposed lease terms align with those used by comparable general aviation facilities in Central Texas and reinforce the City's commitment to long-term airport utilization.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

Funds Available:
Account Name:

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: The Lockhart Airport Advisory Board and staff respectfully recommend approval of the ground lease with Lockhart Air Partners.

LIST OF SUPPORTING DOCUMENTS: Lockhart Air Partners Ground Lease, Lockhart Airport_Site Plan

HANGAR GROUND LEASE AGREEMENT

CITY OF LOCKHART, TEXAS

Ground Lessor

AND

LOCKHART AIR PARTNERS, LLC

Ground Lessee

LEASE AGREEMENT

THIS HANGAR GROUND LEASE ("Agreement") is effective this_____day of _____, 2025, by and between the CITY OF LOCKHART, TEXAS, a Texas home-rule municipality ("City" or "Lessor") and Lockhart Air Partners, LLC, a Texas limited liability company ("Lessee").

Preliminary Statements

A. The City owns and operates an airport known as the Lockhart Municipal Airport (50R) located in Caldwell County, Texas, including the real property upon which the same is located (the "Airport"); and

B. The City and Lessee desire to enter into a Lease Agreement ("Agreement") for the use and occupancy of certain areas at the Airport; and

C. The City desires to accommodate, promote and enhance general aviation at the Airport. Lessee desires assurance of the Airport's continued availability as a base for aircraft; and

D. The City and Lessee have agreed that Lessee will construct and occupy a hangar building or buildings, without cost to the City.

E. In consideration of the premises and of the rents, covenants and conditions herein contained, the City does hereby lease to Lessee the area(s) of the Airport described in Article 2 hereof (the "Leased Premises"), as follows:

ARTICLE 1: TERM AND OPTIONS

1.1 The initial term of this Agreement shall commence at 12:01 a.m. on _____, 2025, and expire at 11:59 p.m. on_____, 20_____, a duration of 30 years, (the "Initial Term") unless sooner terminated in accordance with this Agreement.

1.2 Subject to the conditions herein, Lessee shall have the option to extend the term of this Agreement for two additional periods of five years each, hereinafter the "Extended Term(s)," provided that at the time of such exercise and at all times before any Extended Term, Lessee is not in default in the payment of any rent or in default in any other provisions of this Agreement. Lessee may exercise each option by giving written notice of such extension to the City not more than 18 months, nor less than nine months, prior to the expiration of the Initial Term or the then-current Extended Term. The terms of this Agreement shall remain applicable during any Extended Term, and shall rent escalate throughout the Initial Term and any Extended Term as provided in Article 4.

ARTICLE 2: LEASED PREMISES

2.1 The Leased Premises consist of the parcel of land described in Exhibit "A." The Lessee acknowledges that: (1) the Lessor makes no representations or warranty regarding the suitability of the Leased Premises for the Lessee's intended purposes, or the presence or absence of environmental, geologic, or other site conditions that may affect the Lessee's use of the Leased Premises; (2) Lessee accepts full responsibility for determining the suitability of the Leased Premises for its intended purposes; (3) Lessee has inspected and performed all tests and investigations of the Leased Premises for its intended purposes; and (4) Lessee is accepting the Leased Premises "as is," in their present condition, and Lessee agrees to perform all preparation, repairs, remediation, and alteration activities necessary to use the Leased Premises for Lessee's intended purposes. Lessee expressly disclaims reliance upon any statement, oral or written, made by any agent of the City concerning the condition, suitability, or business prospects of the Leased Premises.

ARTICLE 3: USE OF LEASED PREMISES

3.1 Lessee shall use and occupy the Leased Premises for the following purposes and for no other purpose whatsoever unless approved in writing by City:

3.1.1 For the construction, installation, maintenance, and operation of a single ten thousand square foot (10,000 sf) hangar building (the "Hangar") to be used for the parking, storage, leasing, flight training, management, servicing, repair, maintenance, and modification, of aircraft. No sublease to an unaffiliated entity of Lessee shall be valid unless each such sublease is approved in writing by the City and conforms to all applicable laws and the Airport Rules and Minimum Standards then in effect (the "Rules" and "Minimum Standards"). Any such commercial use must also be consistent with the City of Lockhart, Texas, building, use and zoning regulations and requirements applicable to the Leased Premises. Lessee warrants that all such aircraft based at the Leased Premises shall comply with noise standards established under Part 36 of Title 14 of the Code of Federal Regulations, ("FAR 36") as amended from time to time. The Leased Premises shall not be used for residential purposes. Lessee shall comply with all Grant Assurances in favor of the State of Texas or the United States. All of Lessee's rights shall be subordinate to such Grant Assurances and other obligations to the United States or State of Texas.

3.1.1.a The construction timeline for the Hangar shall conform to the timeframes set forth in the Minimum Standards. Lessee must commence construction of the Hangar no later than one (1) year from the date of this Agreement. Construction shall be completed no later than one (1) year after construction commences. The City may grant extensions to these deadlines as the City deems necessary.

3.1.1.b Lessee shall be allowed to place a temporary building on the property once Hangar construction has commenced and until it has been completed. Construction for the Hangar shall not to exceed 12 months. The temporary building will be removed no later than 30 days after the Hangar has received a certificate of occupancy. The temporary building is for construction purposes only and shall not be used for business operations.

3.1.2 The City makes no representations, guarantees, or warranties that the Leased Premises may be lawfully used for the purposes set forth in this Article 3.1. Lessee shall have the sole responsibility of obtaining all applicable permits or other governmental approvals necessary to use the Leased Premises. This Agreement is expressly conditioned upon Lessee obtaining all such permits and approvals, and the failure of Lessee to obtain any such permits or approvals within six months following the commencement date set forth in Article 1.1. The failure of Lessee to maintain any such permits or approvals during the term of this Agreement shall result in termination of this Agreement pursuant to Article 18.

3.1.3 During the term of this Agreement, Lessee must regularly house at least one airworthy aircraft in the Hangar, use the Hangar for the primary purpose of aircraft storage, and the Hangar shall be used for Aeronautical Activities only, unless the prior written permission of the City is first obtained. The term "Aeronautical Activities" shall mean any activity or service that involves, makes possible, facilitates, is related to, assists in, or is required for the operation of aircraft, or which contributes to or is required for the safety of aircraft operations.

3.1.4 City reserves unto itself, its patrons, visitors, and other lessees and their patrons, visitors, and employees, the right of flight for the passage of aircraft above the surface of the Leased Premises, together with the right to cause in such air space such noise, dust, interference as may be inherent in the operation of aircraft now known or hereafter in use, including the right of using said air space for landing at, taking off from, or operating at or near the Airport.

3.1.5 This Agreement is subject to the right of the United States of America to have exclusive or non-exclusive use, control and possession, without charge, of the Airport or any portion thereof during periods of national emergency; and further, subject to the right of the F.A.A. and United States Government under such Agreement including the right to take a portion of the Airport premises for air traffic control activities, weather reporting activities or communication activities related to air traffic control.

ARTICLE 4: RENT AND OTHER CHARGES

4.1 Lessee agrees to pay to the City during the Initial Term hereof an annual base rent of ___\$0.25___ per square foot for the __10,000____ square feet of the Leased Premises (including the building footprint, ramp, and area surrounding the building footprint, as set forth in Exhibit A), for a total of ($2,500.00) Two Thousand Five Hundred Dollars and 00/100 per year, subject to adjustment pursuant to Section 4.2, below subject to final design permitted by the City. If Lessee exercises any option to extend the term of this Agreement under Section 1.2, above, annual rental per square foot for the first year of such Extended Term shall be the greater of (a) the rental determined under Section 4.2 below, as if the Initial Term had continued throughout such Extended Term, or (b) the then current market rates for hangar ground leases at comparable airports in Texas. City and Lessee agree to use their best efforts to agree on then current market rates, and execute a Lease Extension Agreement, within ninety (90) days after Lessee's written notice of election is received by the City. If the City and Lessee cannot agree upon the rental rates, the parties agree to submit the question to binding arbitration before a single arbitrator appointed by the chief judge of the District Courts of Caldwell County, Texas provided, however, that such rent shall never be lower than the rental which would be due by

application of subsection (a) above. Lessee and the City shall each pay fifty percent (50%) of the arbitrator cost. All sums due to the City under this Agreement shall comprise "Additional Rent."

4.2 Five years after the date of commencement of this Agreement, and on each successive five-year period thereafter during the remainder of the Initial Term, the annual rent shall be adjusted by a ten percent (10%) increase in the annual rent based off of the previous five year term in each successive increase.

4.3 The annual rent payable hereunder shall be paid on the anniversary of the commencement of this Agreement as set forth in Article 1.1. Payments due to the City under this Agreement shall be paid without offset of any kind, and Lessee waives all common law and statutory rights of offset. In addition to any other remedies provided in this Agreement, if any rental, fee, charge, or other item of Additional Rent set forth in this Agreement is not paid to the City within 15 days of the date due, Lessee agrees to pay a late charge of 10% for each such late payment, and default interest shall accrue on such payment from 30 days after the date the payment was due, at a rate of 12% per annum.

4.4 Lessee, as additional rent, shall complete construction of the Hangar and related Improvements on the Leased Premises, in accordance with plans and specifications approved by the City. The Hangar shall, collectively, be at least a total of 10,000 square feet in size and shall have a concrete or asphalt floor, with the Hangar to have at least one aircraft access door sized to accommodate an average private aircraft. Lessee shall use commercially reasonable and diligent efforts to complete construction of the Hangar and other such Improvements within the earlier of 12 months of the City's approval thereof.

4.5 Lessee, as additional rent, shall construct and maintain a paved aircraft ramp area on the Leased Premises (the "Ramp."). The Ramp must be designed and built to specifications, and for a minimum weight bearing capacity, established by the City, built to the full width of the Leased Premises, and to connect with adjacent taxiway, ramp, and/or auto parking areas, in order that a continuous and safe pavement section results. If access to the Leased Premises is not available on existing taxiways and/or roadways, then Lessee may also be required to construct the same pursuant to Article 7.1.1, below. It is the responsibility of Lessee to maintain the entire Ramp area, and all other pavement areas on the Leased Premises, in a safe manner, and clean of debris, and free from unsafe conditions for taxiing aircraft and Airport users. Lessee grants to users of the Airport the right to use aircraft Ramp areas on the Leased Premises from time to time for passage of aircraft on and near the adjacent taxiway. The construction time and default provisions of subsection 4.4 shall be applicable to the Ramp described in this subsection.

4.6 Subject to the provisions of Article 10, below, Lessee shall keep the Leased Premises, and the Hangar, Ramp, and any and all structures constructed by Lessee on the Leased Premises (collectively, the "Improvements"), free and clear of any liens and encumbrances, except as contemplated by Article 10, below, or unless expressly approved in writing by the City, and shall indemnify, hold harmless and defend the City from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of Lessee. If any lien is filed, Lessee shall do all acts necessary to discharge such lien within ten days of filing, or if Lessee desires to contest any lien, then Lessee shall deposit with the City such security as the City shall reasonably demand to insure the payment of the lien claim. If Lessee shall fail to pay any lien

claim when due or shall fail to deposit the security with the City, then the City shall have the right to expend all sums necessary to discharge the lien claim, and Lessee shall pay the City, as additional rental when the next rental payment is due, all sums expended by the City in discharging any lien, including reasonable attorneys' fees and costs, and interest at 12% on the sums expended by the City from the date of expenditure to the date of payment by Lessee.

4.7 Lessee agrees to comply with the Airport Rules and Minimum Standards adopted by the City for the Airport, as they now exist or as they may hereafter be adopted or amended. Fees due under such Minimum Standards or pursuant to any license issued for commercial activities conducted in whole or part on the Leased Premises, may be collected by the City as additional rent under this Agreement, in addition to any other remedies available to the City.

4.8 Holdover rent shall be due at the rate of 200%.

ARTICLE 5: ACCEPTANCE, CARE, MAINTENANCE, IMPROVEMENTS AND REPAIR

5.1 Lessee acknowledges that it has inspected the Leased Premises, conducted such studies and tests thereof (including environmental tests) as it deems necessary, and accepts possession of the Leased Premises "as is" in its present condition, and, subject to all limitations imposed upon the use thereof by the rules and regulations of the Federal Aviation Administration, the rules and regulations of the Airport, and by ordinances of the City, and admits its suitability and sufficiency. Except as may otherwise be provided for herein, the City shall not be required to maintain nor to make any improvements, repairs or restoration upon or to the Leased Premises or to any of the improvements presently located thereon or placed thereon by Lessee.

5.2 Lessee shall, throughout the term of this Agreement, assume the entire responsibility, cost, and expense for all repair and maintenance whatsoever on the Leased Premises and all Improvements thereon, and shall perform in a good workmanlike manner all necessary repairs, maintenance, whether ordinary or extraordinary, structural or otherwise. Additionally, Lessee, without limiting the generality hereof, shall:

5.2.1 Keep at all times, in a clean and orderly condition and appearance, the Leased Premises, all Improvements thereon and all of Lessee's fixtures, equipment and personal property which are located on any part of the Leased Premises. Lessee shall not park or leave, or allow to be parked, aircraft on the taxiways, ramps or pavement adjacent to any Hangar in a manner which unduly interferes with or obstructs access to other hangars or movement on adjacent taxiways.

5.2.2 Provide and maintain on the Leased Premises all obstruction lights and similar devices, and safety equipment required by law.

5.2.3 Take measures to prevent erosion, including without limitation the planting and replanting of grasses with respect to all portions of the Leased Premises not paved or built upon. Lessee shall maintain and replant any landscaped areas.

5.2.4 Be responsible for the maintenance and repair of all utility services lines placed on the Leased Premises and used by Lessee exclusively, including without limitation water

lines, gas lines, electrical power and telephone conduits and lines, sanitary sewers and storm sewers.

5.2.5 If Lessee discovers any hazardous material on the Leased Premises, it will promptly notify the City in writing.

5.2.6 If extraordinary repairs or maintenance to the Improvements are required during the last five years of the Initial Term or any Extended Term of this Agreement, Lessee may elect not to repair and/or maintain the Improvements, by giving the City written notice of its election. In such case, City shall have the option of requiring Lessee to either (a) clear the site, remove all debris and paving, stub up all utilities, and restore the site to its original cleared condition prior to commencement of construction; or (b) transfer title to the Improvements to the City, as is. Upon Lessee's election and compliance with this section, the City shall terminate this Agreement and relieve Lessee of all future rental obligations hereunder.

5.2.7 During the last five years of the Initial Term, and during the last 30 months of any Extended Term, the City shall have the right to conduct periodic detailed inspections of the Leased Premises not more often than once per year. If any maintenance deficiencies are discovered, the City may require Lessee to correct such deficiencies, whether ordinary or capital in nature. Capital items having a useful estimated life beyond the date on which Lessee actually vacates the Leased Premises shall be reimbursed by the City to the Lessee on an equitably pro-rated basis.

5.3 Plans and specifications for each of the Improvements and all repairs (other than emergency repairs), construction, alterations, modifications, additions or replacements to the Improvements, including those made to any paving upon the Leased Premises, excluding non-structural repairs, construction, alterations, modifications, additions or replacements, shall be submitted to the City for approval, which approval shall not be unreasonably denied, providing the plans and specifications comply with the provisions of this Agreement, the Airport's design standards, if any, as well as all applicable building, use and zoning regulations. Submittal of the above-described Plans and Specifications shall also include a site plan, drainage plan, and building plan for the initial project development that shall be reviewed pursuant to the City's standard review process as provided in the Unified Development Code. The site plan shall show the location of all Improvements on the Leased Premises, including the Hangars, pavements, utilities and location of the Hangars on the site. The drainage plan must show how drainage will be handled and be approved by the City prior to a building permit being issued by the City. Lessee shall reimburse the City for all costs incurred for providing a legal survey and legal description of the Leased Premises and for a proportional share of any costs to bring road access and utilities to the Leased Premises, should the City agree to do so. Before commencement of any construction of the Improvements, Lessee shall have the Leased Premises staked by a certified surveying company to ensure all Improvements are placed accurately on the Leased Premises. Within ninety (90) days of the certificate of occupancy being received, Lessee shall submit to the City a full set of as-built record drawings of the Improvements, sealed by a licensed architect or engineer, which among other things, depicts exact locations of all Improvements, including utilities, made on and/or off of the Leased Premises. Failure to submit such sealed plans shall constitute grounds for denial of access to the Leased Premises.

ARTICLE 6: ADDITIONAL OBLIGATIONS OF LESSEE

6.1 Lessee shall conduct its operations in an orderly and proper manner, considering the nature of such operations, so as not to unreasonably annoy, disturb, endanger or offend others.

6.2 Further, Lessee shall take all reasonable measures: \

1. To reduce to a practicable minimum vibrations tending to damage any equipment, structure, buildings or portions of buildings.\
2. Not to produce or allow to be produced on the Airport, through the operation of machinery or equipment, any electrical, electronic or other disturbances that interfere with the operation by the City or the Federal Aviation Administration of air navigational, communication or flight equipment on the Airport or on aircraft using the Airport, or with ground transportation communications.

6.3 Lessee shall comply with all federal, state and municipal laws, ordinances, rules, regulations and requirements, the Airport's Minimum Standards, Airport security rules and regulations, and other Airport Rules and regulations, as they now exist or may hereafter be amended or promulgated.

6.4 Lessee shall commit no nuisance, waste or injury on the Leased Premises, and shall not do, or permit to be done, anything that may result in the creation, commission or maintenance of such nuisance, waste or injury on the Leased Premises.

6.5 Lessee shall neither do nor permit anything which may interfere with the effectiveness or accessibility of the drainage system, sewerage system, fire protection system, sprinkler system, alarm system and fire hydrants and hoses, if any, installed or located on the Leased Premises.

6.6 Lessee shall take measures to ensure security in compliance with Federal Aviation Administration Regulations and the Airport Security Plan, as they now exist or may hereafter be amended or promulgated.

6.7 Lessee shall neither do nor permit any act or thing which will invalidate or conflict with any fire insurance policies or regulations applicable to the Leased Premises or other contiguous premises at the Airport.

6.8 Lessee shall not install, maintain, operate or permit the installation, maintenance or operation of any restaurant, kitchen, stand or other establishment of any type for the sale of food or of any vending machines or device designed to dispense or sell merchandise or services of any kind to the general public, unless all required development approvals and permits for that activity are first obtained from the City.

6.9 Except for uses permitted under Article 3 hereof to be performed by Lessee, Lessee shall not provide or allow to be provided aircraft maintenance work, flight instruction of any sort, air taxi, aircraft charter or aircraft leasing of any sort on the Leased Premises, for commercial purposes, without all required development approvals, and a License from the City if and as required by the Airport's Minimum Standards or Rules then in effect.

Lessee will conduct its operations in such a manner as to keep the noise produced by aircraft engines and component parts thereof, and any other noise, to a minimum, by such methods as are practicable, considering the extent and type of the operations of Lessee and the limitations of federal law. In addition, Lessee will employ the maximum amount of noise arresting and noise reducing devices that are available and economically practicable, considering the extent of their operations, but in no event less than those devices required by federal, state or local law. In its use of the Leased Premises, Lessee shall take all possible care, exercise caution, and use commercially reasonable efforts to minimize prop or jet blast interference and prevent jet blast damage to aircraft operating on taxiways and to buildings, structures and roadways, now located on or which in the future may be located on areas adjacent to the Leased Premises. If the City determines that Lessee has not curbed the prop or jet blast interference or damage, Lessee covenants to erect and maintain at its own expense such structure or structures as may be necessary to prevent prop or jet blast interference, subject, however, to the prior written approval of the City as to type, manner and method of construction.

6.10 Following the completion of construction of the Hangars, Lessee shall not store nor permit the storage of disabled aircraft or any equipment or materials outside of the Hangars constructed on the Leased Premises, without the written approval of the City. No aircraft that is unairworthy may remain outside of a hangar for more than 20 days. Concerning any aircraft that has remained outside the hangars on the Leased Premises for more than 20 days, upon request Lessee shall provide written certification from an FAA licensee holding Inspection Authorization stating such aircraft is airworthy. If Lessee fails to comply with this requirement after a written request by Lessee to comply, Lessor may (but is not required to) cause the removal of any such aircraft at Lessee’s expense by any means that Lessor determines, in its sole discretion, to be in Lessor's best interests.

6.11 On forms and at the frequency prescribed by the Airport Manager, and with respect to each aircraft stored on the Leased Premises, Lessee shall provide the City with the (a) make and model, (b) N-number, and (c) identity and address of the registered owner. This requirement shall apply to aircraft whether owned by Lessee or another party, and regardless of whether its storage is subject to the Minimum Standards or Rules.

6.12 Permits and Licenses**.** Lessee shall obtain and maintain in current status all permits and licenses required under any law or regulation. If Lessee receives notice from any governmental entity that Lessee lacks, or is in violation of, any such permit or license, Lessee shall provide City with timely written notice of the same.

6.13 Taxes and Liens. Lessee shall pay (before their respective due dates) all taxes, fees, assessments, and levies that relate to Lessee’s use, occupancy, or operations at the Leased Premises or the Airport, and all other obligations for which a lien may be created thereto (including, but not limited to, utility charges and work for any improvements).

6.14 Damage to Property and Notice of Harm. In addition to Lessee's indemnification obligations set forth in this Agreement, Lessee, at Lessee’s sole cost, shall repair or replace (to Lessor's reasonable satisfaction) any damaged property that belongs to Lessor or Lessor's other tenants to the extent that such damage arises from or relates to an act or omission of Lessee or Lessee’s Associates. Lessee shall promptly notify Lessor of any such property damage. If Lessee discovers any other potential claims or losses that may affect Lessor, Lessee shall promptly notify

Lessor of the same.

6.15 Security. Lessee shall comply with all security measures that Lessor, the United States Transportation Security Administration, or any other governmental entity having jurisdiction may require in connection with the Airport, including any access credential requirements, any decision to remove Lessee's access credentials, and any civil penalty obligations and other costs arising from a breach of security requirements caused or permitted by Lessee or Lessee's Associates. Lessee agrees that Airport access credentials are the property of Lessor and may be suspended or revoked by Lessor in its sole discretion at any time. Lessee shall pay all fees associated with such credentials, and Lessee shall immediately report to the Airport Manager any lost credentials or credentials that Lessee removes from any employee or any of Lessee's Associates. Lessee shall protect and preserve security at the Airport.

6.16 Removal of Disabled Aircraft. When consistent with Laws and Regulations, Lessee shall promptly remove or cause to be removed from any portion of the Airport not leased by Lessee the Aircraft or any other aircraft that Lessee owns or controls if it becomes unairworthy. Lessee may store such aircraft within Lessee's enclosed improvements.

ARTICLE 7: INGRESS AND EGRESS

7.1 Lessee shall have the right of ingress and egress between the Leased Premises and the public landing areas at the Airport by means of connecting taxiways; and between the Leased Premises and the entrance(s) to the Airport by means of connecting paved roads. Lessee shall have the right to use the public runways and public aviation aids at all times during which they are open to the public. Such rights of ingress, egress and use shall be in common with others having rights of use and passage thereon.

7.1.1 If, at the time of entering into this Agreement, access to the Leased Premises is not available on existing taxiways and/or roadways, then such taxiways and/or roadways necessary for Lessee's use and occupancy shall be constructed at the sole expense of Lessee, in accordance with construction specifications and design criteria approved by the City for the uses contemplated by Lessee. There shall be no consideration made on the part of the City for the cost of these improvements. Upon completion of construction, Lessee shall certify that the taxiways and/or roadways so constructed have been built to such specifications and criteria, and those portions of any such taxiways and/or roads located off the Leased Premises shall be conveyed and dedicated to the City, which shall accept them for maintenance. Upon such conveyance and dedication, Lessee shall warrant that the same shall be free of defects in materials and workmanship for a period of not less than two years after the date of such conveyance and dedication. Such warranty shall be backed by a warranty bond or another form of security instrument, satisfactory to the City in its sole discretion, in the amount of not less than 15% of the construction cost of the improvements warranted.

7.2 The use of any such roadways or taxiways shall be subject to the Rules and Minimum Standards of the Airport, which are now in effect or which may hereafter be promulgated, and subject to temporary closure; provided, however, that any closure shall be only for reasonably necessary or unique circumstances, and provided that 14 days prior written notice will be given to Lessee relevant to any closure, unless such closure is necessary due to emergency. Lessee, for itself and its authorized subtenants, hereby releases and discharges the

City, their officers, employees and agents, and all their respective successors and assigns, of and

from any and all claims, demands, or causes of action which Lessee or its authorized subtenants may now or at any time hereafter have against any of the foregoing, arising or alleged to arise out of the closing of any street, roadway or other area, provided that other reasonable means of access to the Leased Premises remain available to Lessee without cost to Lessee, unless otherwise mandated by emergency safety considerations or lawful exercise of the police power. Lessee shall not do or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the Leased Premises or in any streets or roadways on the Airport.

ARTICLE 8: CASUALTY INSURANCE AND DAMAGE TO THE LEASED PREMISES

8.1 Lessee, at its sole cost and expense, shall procure and maintain throughout the term of this Agreement insurance protection for all risk coverage on the Improvements which are part of the Leased Premises, to the extent of one hundred percent (100%) of the actual replacement cost thereof. Such insurance shall be written by insurers acceptable to the City. The insurance shall provide for 30 days notice of cancellation or material change, by certified mail, return receipt requested, to the City, Attention: Airport Manager.

8.1.1 The above-stated property insurance shall be for the benefit and to safeguard the interests of the Lessee and City, which shall at all times be named a co-insured.

8.1.2 If any losses are estimated to exceed one-third of the current value of the Leased Premises, Lessor shall adjust and settle such losses with the insurers. Lessee shall consult with the City and use its best efforts to obtain a settlement that covers the cost of repairing or rebuilding the Improvements.

8.1.3 Lessee shall provide certificates of insurance, in a form acceptable to the City and marked "premium paid," evidencing existence of all insurance required to be maintained prior to occupancy of the Improvements. Upon the failure of Lessee to maintain such insurance as above provided, the City, at its option, may obtain such insurance (which may be single-interest) and charge the cost to Lessee as Additional Rent, which shall be payable on demand, or may give notice of default hereunder pursuant to Article 18 hereof.

8.2 If the Improvements and any subsequent improvements, insurable or uninsurable, on the Leased Premises are damaged or destroyed to the extent that they are unusable by Lessee for the purposes for which they were used prior to such damage, or same are destroyed, Lessee shall promptly repair and reconstruct the Improvements substantially as they were immediately prior to such casualty or in a new or modified design, subject to the provisions of Article 5 hereof and applicable building codes and Airport design standards, if any, existing at the time of repairing or rebuilding. If the aforesaid damage or destruction occurs in the last five years of the Initial term or any option term of this Agreement, Lessee may elect not to repair and reconstruct the Improvements, subject to the following terms and conditions:

8.2.1 Lessee shall give the City written notice of its election not to repair and reconstruct the Improvements within ninety (90) days of the date upon which the Improvements were damaged or destroyed. Is such case, and City shall have the option of either:

8.2.1.1 Requiring Lessee to clear the site, remove all debris and paving, stub up all utilities, and restore the site to its original cleared condition prior to commencement of construction; in which case Lessee shall retain all insurance proceeds above those necessary to fund such site restoration; or

8.2.1.2 Taking title to the damaged Improvements, as is, in which case Lessee shall assign to and the City shall retain all insurance coverage and proceeds.

8.2.3 Upon Lessee's notice under Section 8.2.1 hereof and Lessee's compliance with the provisions of Sections 8.2.1.1 or 8.2.1.2 hereof, the City shall terminate this Agreement and relieve Lessee of all future rental obligations hereunder.

8.3 Lessee shall not violate, or permit to be violated, any of the conditions of any of the said policies; and shall perform and satisfy, or cause to be satisfied, the requirements of the companies writing such policies.

ARTICLE 9: LIABILITIES AND INDEMNITIES

9.1 The City shall not in any way be liable for any cost, liability, damage or injury, including cost of suit and expenses of legal services, claimed or recovered by any person or entity, or occurring on the Leased Premises, or the Airport, or as a result of any operations, works, acts or omissions performed on the Leased Premises, or the Airport, by Lessee, its agents, servants, employees or authorized tenants, or their guests or invitees. Lessee shall not in any way be liable for any cost, liability, damage or injury, including cost of suit and expenses of legal services, claimed or recovered by any person or entity, or occurring on the Leased Premises, or the Airport, or as a result of any operations, works, acts, or commission performed on the Leased Premises, or the Airport, solely by the City, their agents, servants, employees or authorized tenants, or their guests or invitees. In this regard, LESSEE expressly releases the City and each of its agents from their own negligence, gross negligence, or other liability.

9.2 Lessee agrees to indemnify, save and hold harmless, the City, their officers, agents, servants and employees, of and from any and all costs, liability, damage and expense, including costs of suit and reasonable expenses of legal services, claimed or recovered, justly or unjustly, falsely, fraudulently or frivolously, by any person, firm or corporation by reason of injury to, or death of, any person or persons, including City personnel, and damage to, destruction or loss of use of any property, including City property, directly or indirectly arising from, or resulting from, any operations, works, acts or omissions of Lessee, its agents, servants, employees, contractors, or authorized tenants. Upon the filing with the City by anyone of a claim for damages arising out of incidents for

which Lessee herein agrees to indemnify and hold the City harmless, the City shall notify Lessee of such claim and in the event that Lessee does not settle or compromise such claim, then Lessee shall undertake the legal defense of such claim on behalf of Lessee and the City. It is specifically agreed, however, that the City at its own cost and expense, may participate in the legal defense of any such claim. Any final judgment rendered against the City for any cause for which Lessee is liable hereunder shall be conclusive against Lessee as to liability and amount upon the expiration of the time for appeal.

9.3 Lessee shall procure and keep in force during the term of this Agreement policies of Comprehensive General Liability insurance insuring Lessee and the City, as co-insureds, against any liability for personal injury, bodily injury, death, or property damage arising out of the subject of this Agreement with a combined single limit of at least two million dollars. No such policies shall be cancelable or subject to reduction in coverage limits or other modification except after 30 days prior written notice to the City. The policies shall be for the mutual and joint benefit and protection of Lessee and the City, and such policies shall contain a provision that the City, although named as an insured, shall nevertheless be entitled to recovery under said policies for any loss occasioned to it, its servants, agents, citizens, and employees by reason of negligence of Lessee (i.e. a fellow-insured write-back endorsement). Lessee shall provide certificates of insurance, in a form acceptable to the City and marked "premium paid" evidencing existence of all insurance required to be maintained prior to the commencement of the Agreement.

9.4 Lessee represents that it is the owner of or fully authorized to use any and all services, processes, machines, articles, marks, names or slogans used by it in its operations under or in any way connected with this Agreement. Lessee agrees to save and hold the City, their officers, employees, agents and representatives free and harmless of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of Lessee under or in any way connected with this Agreement.

ARTICLE 10: LEASEHOLD MORTGAGES

10.1 If Lessee shall execute a Leasehold Mortgage of its leasehold estate to an entity which is not directly or indirectly owned or controlled by, or is not under common ownership or control with Lessee (collectively, an “Unaffiliated Entity” hereafter), and if the holder of such Leasehold Mortgage shall provide the City with notice of such Leasehold Mortgage together with a true copy of such Leasehold Mortgage and the name and address of the Mortgagee, then following receipt of such notice by the City, the provisions of this Article 10 shall apply in respect to such Leasehold Mortgage.

10.2 The term "Leasehold Mortgage" as used in this Agreement shall include, but not be limited to, a mortgage, a deed of trust, a deed to secure debt, or other security instrument by which Lessee's leasehold estate is mortgaged, conveyed, assigned, or otherwise transferred, to secure a debt or other obligation, in connection with the construction contemplated by Article 4 above.

10.3 The City, upon providing Lessee any notice of default under this Agreement or termination of this Agreement, shall at the same time provide a copy of such notice to the Leasehold Mortgagee by first class U.S. mail at the address specified in the notice given pursuant to Section 10.1, above. Such Leasehold Mortgagee shall have the additional periods of time specified in Sections 10.4 hereof to remedy, commence remedying, or cause to be remedied the default or acts or omissions which are specified in any such notice. The City shall accept such performance by or at the instigation of such Leasehold Mortgagee as if the same had been done by Lessee.

10.4 Anything contained in this Agreement to the contrary notwithstanding, if any default shall occur which entitles the City to terminate this Agreement, the City shall have no right to terminate this Agreement unless, following the expiration of the period of time given Lessee to cure such default or the act or omission which gave rise to such default, the Leasehold Mortgagee is given an additional period of thirty (30) days to:

10.4.1 Notify the City of such Leasehold Mortgagee's desire to defeat such Termination Notice; and

10.4.2 Pay or cause to be paid all rent, additional rent, and other payments then due and in arrears as specified in the Termination Notice to such Leasehold Mortgagee and which may become due during such thirty (30) day period; and

10.4.3 Promptly commence and diligently cure all non-monetary defaults, but in no event shall the time for such cure exceed 90 days.

10.5 The making of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Agreement or of the leasehold estate hereby created, nor shall the Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Agreement or of the leasehold estate hereby created so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions of this Agreement. Any Leasehold Mortgagee who takes an instrument of assignment or transfer in lieu of the foreclosure of the Leasehold Mortgagee shall be deemed to be a permitted assignee or transferee, and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of Lessee to be performed hereunder from and after the date of such purchase and assignment, but only for so long as such purchaser or assignee is the owner of the leasehold estate. If the Leasehold Mortgagee or its designee shall become holder of the leasehold estate and if the Hangar and Improvements on the Leased Premises shall have been or become materially damaged on, before or after the date of such purchase and assignment, the Leasehold Mortgagee or its designee shall be obligated to repair, replace or reconstruct the building or other improvements.

10.6 Landlord Liens. Lessee hereby gives and grants to City a lien upon, and pledges as collateral to City in case of default, all, chattels and personal property of every kind and description now or hereafter to be placed, installed or stored by Lessee at the Airport. Lessee

agrees that in the event of any failure on the part of Lessee to comply with each and every one of the covenants and obligations hereof, or in the event of any default continuing for twenty days of any specified nature, after notification to Lessee by City in writing, City may take possession of and sell the same in any manner provided by law and may credit the net proceeds upon any indebtedness due or damage sustained by City, without prejudice to further claims thereafter to arise under the terms hereof. Any Leasehold Mortgage shall be subordinate to this contractual Landlord Lien and any statutory lien arising under the Texas Property Code, but shall be superior to the extent of such liens of any structures and fixtures on the Leased Premises.

ARTICLE 11: RULES AND REGULATIONS

Lessee acknowledges that the City has adopted rules and regulations (the "Rules") with respect to the occupancy and use of the Airport, and such Rules may be amended, supplemented or re-enacted from time to time by the City provided that such Rules apply generally to all similar occupants and users on the Airport. Lessee agrees to observe and obey any and all such Rules and all other federal, state and municipal rules, regulations and laws and to require its officers, agents, employees, subtenants, contractors, and suppliers, to observe and obey the same. In the event of a conflict between the provisions of Airport Rules and this Agreement, the more stringent provisions shall control. This provision will include compliance with any Airport Noise Abatement Plan that may hereafter be adopted. The City reserves the right to deny access to the Airport and its facilities to any person, firm or corporation that fails or refuses to obey and comply with such rules, regulations or laws

ARTICLE 12: SIGNS

Lessee shall have the right to install and maintain one sign on the Leased Premises identifying it and its operations. The subject matter, type, design, number, location and elevation of such signs, and whether lighted or unlighted, shall be subject to the City of Lockhart building, use, and zoning regulations and requirements applicable to signs as well as subject to any Airport design standards. No sign will be allowed that may be confusing to aircraft pilots or automobile drivers or other traffic.

ARTICLE 13: ASSIGNMENT AND SUBLEASE

The prior written consent of the City shall be required for any sale, transfer, assignment or sublease of this Agreement and of the leasehold estate hereby created to an unaffiliated entity. Additionally, such action shall be subject to a twenty percent (20%) transfer fee based on the lease amount due that year. Consent may be withheld by the City if (a) Lessee is in default of any of the terms or conditions of this Agreement, (b) the transferee or assignee does not deliver to the City its written agreement to be bound by all of the provisions of this Agreement in a form satisfactory to the City, or (c) the transferee or assignee does not submit proof of insurance as required at Articles 8 and 9. Lessee shall not subdivide or fractionalize either its ownership of the Improvements or leasehold interest in the Leased Premises. Any management agreement or other contract that purports to transfer the substantive economic or legal risks and benefits to a third party shall be deemed a de facto assignment, and shall be subject to the restrictions set forth in this Article 13.

ARTICLE 14: CONDEMNATION

14.1 If all or any portion of the Leased Premises is taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of appropriation, condemnation or eminent domain (or pursuant to a sale to such power or authority under the threat of condemnation or eminent domain), all rentals payable hereunder with respect to that portion of the Leased Premises taken shall no longer be payable, and the proceeds, if any, from such taking or sale shall be allocated between the City and Lessee in accordance with the applicable condemnation law, with Lessee being entitled to compensation for the fair market value of the leasehold interest, Improvements and personal property taken. If a portion of the Leased Premises is so taken or sold, and as a result thereof, the remaining part cannot reasonably be used to continue the authorized uses set forth in Article 3 hereof, then this Agreement shall terminate at Lessee's election, and Lessee's obligation to pay rent and perform the other conditions of the lease shall be deemed to have ceased as of the date of such taking or sale.

14.2 The City expressly reserves the right to grant or take easements on rights-of-way across the Leased Premises if it is determined to be in the best interest of the City to do so. If the City grant or take an easement or right-of-way across any of the Leased Premises, Lessee shall be entitled only to compensation for damages to all Improvements owned by Lessee destroyed or physically damaged thereby, but not to damages for loss of use of the Leased Premises itself. Damages to improvements shall be determined by the reduction in fair market value of the Improvements caused by said damage or cost of repair, whichever is less.

14.3 Lessee understands and agrees that the City have the right to take all or any portion of the Leased Premises, and any additions, alterations or improvements thereon, should the City, in their sole discretion, determine that said portion of the Leased Premises, and improvements thereon, are required for other Airport purposes, without initiating condemnation proceedings. If such action is taken, the City shall substitute comparable areas within the Airport, or any additions or extensions thereof, brought to the same level of improvement as the area taken. The City shall bear all expenses of bringing the substituted area to the same level of improvement to the area taken, and of moving Lessee's improvements, equipment, furniture and fixtures to the substituted area. If any of Lessee's improvements, equipment, furniture or fixtures cannot be relocated, the City shall replace, at their own expense, such non-relocatable improvements and other property with comparable property in the substituted area, and the City shall be deemed the owner of the non-relocated improvements and other property, free and clear of all claims of any interest or title therein by Lessee, any mortgagee, or any other third party whomsoever. It is the specific intent of this subparagraph that Lessee would be placed, to the extent possible, in the same position it would have been, had the City not substituted new premises for the Leased Premises; provided however, that the City shall not be obligated to reimburse Lessee for lost revenues or other costs due to such substitution. In the event that such substitution of area is demanded by the City, Lessee shall have the right and option to terminate this Agreement, prior to the City commencing the substitution, upon thirty (30) days prior written notice to City, in which event the City shall pay Lessee the fair market value of all

Improvements constructed on the Leased Premises pursuant to approval of the City. Nothing in this subparagraph shall be construed to limit the City' rights to condemn Lessee's leasehold rights and interests in the Leased Premises pursuant to state law.

ARTICLE 15: NON-DISCRIMINATION

15.1 Lessee, for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Leased Premises, for a purpose for which a United States government program or activity is extended, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in federally-assisted programs of the Department of Transportation- Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

15.2 Lessee, for itself, its personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

15.2.1 No person on the grounds of race, color, disability or national origin shall be excluded from participating in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises;

15.2.2 That in the construction of any Improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, disability or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination;

15.2.3 That Lessee shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in federally-assisted programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

15.3 In this connection, the City reserves the right to take whatever action they might be entitled by law to take in order to enforce this provision following the 60 days written notice to Lessee of any alleged violation. This provision is to be considered as a covenant on the part of Lessee, a breach of which, continuing after notice by the City to cease and desist and after a determination that a violation exists made in accordance with the procedures and appeals provided by law, will constitute a material breach of this Agreement and will entitle the City, at their option, to exercise its right of termination as provided for herein, or take any action that it deems necessary to enforce compliance herewith.

15.4 Lessee shall include the foregoing provisions in every agreement or concession pursuant to which any person or persons, other than Lessee, operates any facility at the Leased Premises providing service to the public and shall include thereon a provision granting the City a right to take such action as the United States may direct to enforce such covenant.

ARTICLE 16: GOVERNMENTAL REQUIREMENTS

16.1 Lessee shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over Lessee's operations at the Leased Premises which may be necessary for Lessee's operations on the Airport.

16.2 Lessee shall pay all taxes, license, certification, permits and examination fees and excise taxes which may be assessed, levied, exacted or imposed on the Leased Premises or operation hereunder or on the gross receipts or gross income to Lessee there from, and shall make all applications, reports and returns required in connection therewith.

16.3 Lessee shall pay all water, sewer, utility and other applicable use taxes and fees, arising from its occupancy and use of the Leased Premises and/or the Improvements thereon.

16.4 If the City is ever required to pay any of the foregoing, or is not paid any of the foregoing, then the City may collect such sums as additional rent.

ARTICLE 17: RIGHTS OF ENTRY RESERVED

17.1 The City, by its officers, employees, agents, representatives and contractors, shall have the right at all reasonable times to enter upon the Leased Premises and enter the Improvements for all purposes not inconsistent with this Agreement, including without limitation inspection and environmental testing, provided such action by the City does not unreasonably interfere with Lessee's use, occupancy or security requirements. Except when necessary for reasons of public safety or law enforcement, or for the protection of property, the City shall provide 72 hours written notice of its intent to inspect.

17.2 Without limiting the generality of the foregoing, the City, by its officers, employees, agents, representatives, contractors and furnishers of utilities and other services, shall have the right, at its own expense, to maintain existing and future Airport mechanical, electrical and other utility systems and to enter upon the easements in the Leased Premises to make such repairs, replacements or alterations as may be necessary or advisable, in the reasonable opinion of the City, and from time to time to construct or install over, in or under existing easements within the Leased Premises such systems or parts thereof and in connection with such maintenance use the Leased Premises existing easements for access to other parts of the Airport otherwise not conveniently accessible; provided, however, that in the exercise of such rights of access, repair, alteration or new construction, the City shall not install a utility under or through any building on the Leased Premises or unreasonably interfere with the actual use and occupancy of the Leased Premises by Lessee, all such utilities to be placed within existing easements, except as provided in Article 14. Reservation of the aforesaid right by the City shall not impose or be construed to impose upon the City any obligation to repair, replace

or alter any utility service lines now or hereafter located on the Leased Premises for the purpose of providing utility services only to the Leased Premises; provided, however, that if they repair, replace or alter any utility service lines now or hereafter located on the Leased Premises for the purpose of providing utility services to others, the City will restore the Leased Premises to their preexisting condition in a timely manner. Lessee will provide for the installation, maintenance and repair, at its own expense, of all service lines of utilities providing services only to the Leased Premises. City will repair, replace and maintain all other utility lines, at City' expense.

17.3 If any personal property of Lessee shall obstruct access of the City across the existing easements to any of the existing utility, mechanical, electrical and other systems, and thus shall interfere with the inspection, maintenance or repair of any such system pursuant to Section 17.2, Lessee shall move such property, as directed by the City or said utility company, upon reasonable notice by the City, in order that access may be had to the system or part thereof for inspection, maintenance or repair. If Lessee shall fail to so move such property after direction from the City or said utility company to do so, the City or the utility company may move it, and Lessee waives any claim against the City for damages as a result there from, except for claims for damages arising from the City' negligence.

ARTICLE 18: TERMINATION

18.1 Upon default by Lessee in the payment of rent, additional rent, or other sums due under this Agreement, the City shall give written notice to Lessee and each holder of a Leasehold Mortgage for which the City has been give notice under Section 10.1, of such default. If such default has not been cured by the 10th day following notice of default, the City may terminate this Agreement.

18.2 This Agreement shall terminate, at the option of the City with prompt written notice to Lessee and holder of a Leasehold Mortgage, upon the appointment of a receiver or trustee of all, or substantially all, of Lessee's assets by a court of competent jurisdiction. The term “trustee” shall not include a trustee appointed under Title 11 of the United States Code.

18.3 Upon the default by Lessee in the performance of any covenant or condition required to be performed by Lessee other than the payment of money, and the failure of Lessee, and each holder of a Leasehold Mortgage to remedy such default for a period of 30 days after the City sends written notice to remedy the same, unless more extensive notice is otherwise provided for in this Agreement, the City may, by written notice of cancellation to Lessee, and each such holder of a Leasehold Mortgage, terminate this Agreement.

18.4 Subject to Article 10 above, upon termination of this Agreement for any reason, all rights of Lessee, authorized tenants, and any other person in possession shall terminate, including all rights or alleged rights of creditors, trustees, assigns, and all others similarly so situated as to the Leased Premises. Except as may be expressly provided to the contrary elsewhere herein, upon termination of this Agreement for any reason, the Leased Premises and all Improvements located thereon, and all equipment, fixtures and other personal property therein, shall be and become the property of the City, free and clear of all encumbrances and all

claims of Lessee, its subtenants, creditors, trustees, assigns and all others, and the City shall have immediate right of possession of the Leased Premises and such Improvements.

18.5 Failure by the City or Lessee to take any authorized action upon default by Lessee of any of the terms, covenants or conditions required to be performed, kept and observed by Lessee shall not constitute a waiver of said default nor of any subsequent breach or default of any of the terms, covenants and conditions in this Agreement. Acceptance of rentals by the City from Lessee, or performance by the City under the terms hereof, for any period or periods after a default by Lessee of any of the terms, covenants and conditions herein shall not be deemed a waiver or create an estoppel of any right of the City to terminate this Agreement for any subsequent failure by Lessee to so perform this Agreement.

18.6 If Lessee ceases to conduct its authorized Aeronautical Activities on the Leased Premises for a period of 12 consecutive months, the City may terminate this Agreement by written notice to Lessee given at any time while such cessation continues, unless Lessee resumes such activities within 30 days following receipt of written notice from the City of such intent to terminate this Agreement. An unauthorized sublease or assignment of Lessee's rights herein shall constitute a cessation of aeronautical activities.

ARTICLE 19: SURRENDER AND RIGHT OF RE-ENTRY

19.1 Subject to Article 8.2 above, upon the expiration, cancellation or termination of this Agreement pursuant to any terms hereof, Lessee agrees peaceably to surrender up the Leased Premises to the City in the condition required by Article 30 below. Upon such expiration, cancellation or termination, the City may re-enter and repossess the Leased Premises together with all Improvements and additions thereto, or pursue any remedy permitted by law for the enforcement of any of the provisions of this Agreement, at the City's election.

19.2 If Lessee remains in possession of the Leased Premises after the expiration, cancellation or termination of this Agreement without written agreement with respect thereto, then Lessee shall be deemed to be occupying the Leased Premises as a tenant at- sufferance, subject to all of the conditions, provisions and obligations of this Agreement, but without any rights to extend the term of this Agreement. The City's acceptance of rent from Lessee in such event shall not alter the status of Lessee as a tenant at sufferance whose occupancy of the Leased Premises may be terminated by City at any time.

ARTICLE 20: SERVICES TO LESSEE

20.1 Except in cases of emergency, in which case no notice shall be required, City will endeavor to give not less than 14 days prior written notice to Lessee of any anticipated temporary Airport closure, for maintenance, expansion or otherwise. Notwithstanding the above, the City shall not be deemed to be in breach of any provision of this Article 20 in the event of a permanent closure of the Airport. Provided, however, that if such permanent closure is in connection with the construction of a new airport by the City, Lessee shall have the option to enter into a substitute hangar ground lease agreement with the City, for the use of a portion of

such new airport not smaller than the Leased Premises, under financial terms which are no less favorable than those set forth herein.

ARTICLE 21: SURVIVAL OF THE OBLIGATIONS OF LESSEE

21.1 If this Agreement shall have been terminated due to default by Lessee in accordance with notice of termination as provided in Article 18, all of the obligations of Lessee under this Agreement shall survive such termination, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to the City to the same extent, at the same time or times, and in the same manner as if no termination, re-entry, regaining or resumption of possession had taken place. The City may maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency less the proper discount, for the entire unexpired term of this Agreement.

21.2 The amount of damages for the period of time subsequent to termination (or re-entry, regaining or resumption of possession) on account of Lessee's rental obligations shall be the sum of the following:

21.2.1 The amount of the total of all installments of rents, less the installments thereof payable prior to the effective date of termination; and

21.2.2 An amount equal to all expenses incurred by the City and not reimbursed in connection with regaining possession, restoring the Leased Premises required by paragraph 19, above, acquiring a new lease for the Leased Premises, legal expenses (including, but not limited to, attorneys' fees) and putting the Leased Premises in order.

21.3 There shall be credited to the account of Lessee against its survived obligations hereunder, the amount actually received from any lessee, licensee, permittee, or other occupier in connection with the use of the said Leased Premises or portion thereof during the balance of the term of use and occupancy as the same is originally stated in this Agreement, and the market value of the occupancy of such portion of the Leased Premises as the City may themselves during such period actually use and occupy. No such use and occupancy shall be, or be construed to be, an acceptance of a surrender of the Leased Premises, nor shall such use and occupancy constitute a waiver of any rights of the City hereunder.

21.4 The provisions of this Article 21 shall not be applicable to termination of this Agreement pursuant to Section 3.1.2 or Section 4.4, or if expressly provided to the contrary elsewhere in this Agreement.

ARTICLE 22: USE SUBSEQUENT TO CANCELLATION OR TERMINATION

The City shall, upon termination or cancellation, or upon re-entry, regaining or resumption of possession, have the right to repair and to make structural or other changes in the Leased Premises, including changes which alter its character and the suitability thereof for the

purposes of Lessee under this Agreement, without affecting, altering or diminishing the obligations of Lessee hereunder, provided that any structural changes shall not be at Lessee's expense.

ARTICLE 23: NOTICES

23.1 Any notice, consent, approval or other communication given by either party to the other relating to this Agreement shall be in writing, and shall be delivered in person, sent by certified mail, return receipt requested, sent by reputable overnight courier, or sent by facsimile transmission (with evidence of such transmission received) to such other party at the respective addresses set forth below (or at such other address as may be designated from time to time by written notice given in the manner provided herein). Such notice shall, if hand delivered or personally served, be effective immediately upon receipt. If sent by certified mail, return receipt requested, such notice shall be deemed given on the third business day following deposit in the United States mail, postage prepaid and properly addressed; if delivered by overnight courier, notice shall be deemed effective on the first business day following deposit with such courier; and if delivered by facsimile, notice shall be deemed effective when received. Notice to the City is not effective unless sent concurrently to BOTH the City Attorney and the Airport Manager.

23.2 The notice addresses of the parties are as follows:

To the City:

Airport Manager
Lockhart Municipal Airport
_____
_____

Telephone: _____

with a copy to:
Messer Fort, PLLC
Attn: Brad Bullock, City Attorney for Lockhart
4201 W. Parmer Lane, Suite C-150
Austin, TX 78727
Telephone: 512-600-2308

To Lessee:

_____
_____
_____
_____

ARTICLE 24: INVALID PROVISIONS

The invalidity of any provisions, articles, paragraphs, portions or clauses of this Agreement shall have no effect upon the validity of any other part or portion hereof, so long as the remainder shall constitute an enforceable agreement. Furthermore, in lieu of such invalid provisions, articles, paragraphs, portions or clauses, there shall be added automatically as a part of this Agreement, a provision as similar in terms to such invalid provision as may be possible and be legal, valid and enforceable.

ARTICLE 25: MISCELLANEOUS PROVISIONS

25.1 Remedies Nonexclusive. All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of, or exclusive of, each other, or of any other remedy available to the City, or Lessee, at law or in equity, and the exercise of any remedy, or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy provided that the City' remedies in the event of default shall not exceed those set forth in this Agreement.

25.2 Individuals Not Liable. No director, officer, agent or employee of the City shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or of any supplement, modification or amendment to this Agreement because of any breach thereof, or because of his or their execution or attempted execution thereof.

25.3 Estoppel Certificate. At the request of Lessee in connection with an approved assignment of its interest in this Agreement, the City shall execute and deliver a written statement identifying itself as the Lessor under this Agreement and certifying such facts as may actually be true.

25.4 Recording of Lease. This Agreement shall be recorded by the City, and the costs of such recordation, and any closing costs associated with this Agreement, its execution and recordation, shall be billed to and paid by Lessee as additional rent.

25.5 General Provisions.

25.5.1 This Agreement shall be performable and enforceable in Caldwell County, Texas, and shall be construed in accordance with the laws of the State of Texas. Exclusive jurisdiction and venue for all disputes between the parties shall lie in the state courts located within Caldwell County, Texas. The parties waive right to trial by jury. The prevailing party in any dispute arising under this Agreement shall recover its costs, all expenses, and attorney fees.

25.5.2 This Agreement is made for the sole and exclusive benefit of the City and Lessee, their successors and assigns, and is not made for the benefit of any third party.

25.5.3 All oral and written communications between agents of the parties preceding this Agreement, are deemed to be merged and integrated into this document, and the parties disclaim reliance upon any such communications.

ARTICLE 26: SUBORDINATION CLAUSES

26.1 This Agreement is subject and subordinate to the following:

26.1.1 The City reserves the right to develop and improve the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance by or on behalf of Lessee, provided Lessee is not deprived of the use or access to the Leased Premises or any of Lessee's rights under this Agreement and unless said activities by the City shall result in the loss of convenient access to the Leased Premises by motor vehicles and/or aircraft owned or operated by Lessee or Lessee's assigns, subtenants, renters, agents, employees or invitees.

26.1.2 The City reserves the right to take any action it considers necessary to protect the aerial approaches to the Airport against obstruction, together with the right to prevent Lessee from erecting or permitting any building or other structure to be erected on the Airport which would limit the usefulness of the Airport or constitute a hazard to aircraft.

26.1.3 This Agreement is and shall be subordinate to the provision of existing and future agreements between the City and the United States or the State of Texas relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the obtaining or expenditure of federal funds, services, or property for the benefit of the Airport.

26.1.4 During national emergency, the City shall have the right to lease all or any part of the landing area or of the airport to the United States or Texas National Guard for military use, and if any such lease is executed, the provisions of this Agreement insofar as they may be inconsistent with the provisions of such lease to the government, shall be suspended, but such suspension shall not extend the term of this Agreement. Abatement of rentals shall be reasonably determined by the City and Lessee in proportion to the degree of interference with Lessee's use of the Leased Premises.

26.1.5 Except to the extent required for the performance of any obligations of Lessee hereunder, nothing contained in this Agreement shall grant to Lessee any rights whatsoever in the airspace above the Leased Premises other than those reasonably necessary to Lessee's enjoyment of the Leased Premises and City’s Airport facilities and which are consistent with Federal Aviation Administration rules, regulations and orders currently or subsequently effective. Further, Lessee's rights in airspace above the Leased Premises and the Airport and the Airport facilities shall be not less than the rights therein by other users of the Airport and Airport facilities.

ARTICLE 27: QUIET ENJOYMENT

The City covenants and warrants that it is the owner of the Leased Premises and that Lessee upon payment of rentals herein provided for and performance of provisions on its part to be performed, shall and may peacefully possess and enjoy the Leased Premises during the term hereof and any extensions hereof without any interruption or disturbance.

ARTICLE 28: ENTIRE AGREEMENT AND AMENDMENTS

This Agreement constitutes the entire agreement of the parties hereto and may be changed, modified, discharged or extended by written instrument duly executed by the City and Lessee. The parties agree that no representations or warranties shall be binding upon the City or Lessee unless expressed in writing.

ARTICLE 29: REQUIREMENTS FOR CONDOMINIUMIZATION

This Agreement does not authorize Lessee to create either a common interest community or hangar condominiums on the Leased Premises. If Lessee desires to create a common interest community or hangar condominiums on the Leased Premises, a written amendment to this Agreement shall be required, containing such additional terms as the City may reasonably require, including but not necessarily limited to terms necessary for compliance with the Texas law.

ARTICLE 30: RETURN CONDITION OF THE LEASED PREMISES

At the expiration or termination of the Lease or any renewal term, Lessee shall surrender promptly the leased premises and all structures in the same condition as when received or constructed, ordinary wear and tear excepted, except to the extent caused by fire or Act of God for which the Lessor has been previously compensated.

ARTICLE 31: HAZARDOUS MATERIALS

31.1 Tenant shall not cause or permit any Hazardous Materials to be used, produced, stored, transported, brought upon, or released on, under, or about the Premises or the Airport by Tenant or Tenant's Associates in violation of applicable federal, state, or local environmental laws, regulations, and ordinances ("Environmental Laws"). Tenant is responsible for any such violation as provided in this Agreement, and shall fully indemnify and hold harmless the City from all fees, fines, costs and damages related in any manner to any release of Hazardous Material or legal violation.

31.2 Tenant agrees that in the event of a release or threat of release of any Hazardous Material by Tenant at the Airport, Tenant shall provide Lessor with prompt notice of the same. Tenant shall respond to any such release or threat of release in accordance with applicable Laws and Regulations. If Lessor has reasonable cause to believe that any such release or threat of release has occurred, Lessor may request, in writing, that Tenant conduct reasonable testing and analysis (using qualified independent experts acceptable to Lessor) to show that Tenant is complying with applicable Environmental Laws.

Lessor may conduct the same at Tenant's expense if Tenant fails to respond in a reasonable manner. Tenant shall cease any or all of Tenant's activities as Lessor determines necessary, in its sole and absolute discretion, in connection with any investigation, cure, or remediation. If Tenant violates any Environmental Laws at the Airport (whether due to the release of a Hazardous Material or otherwise), Tenant, at Tenant's expense, shall have the following obligations, which shall survive any expiration or termination of this Agreement: (i) promptly remediate such violation in compliance with applicable Environmental Laws; (ii) submit to Lessor a written remediation plan, and Lessor reserves the right to approve such plan (which approval shall not be unreasonably withheld) and to review and inspect all work; (iii) work with Lessor and other governmental authorities having jurisdiction in connection with any violation; and (iv) promptly provide to Lessor copies of all documents pertaining to any environmental concern that are not subject to Tenant's attorney-client privilege.

31.3 To the extent that Tenant is a co-permittee with Lessor in connection with any permit relating to the environment at the Airport, or to the extent that any of Tenant's operations in connection with this Agreement or otherwise may impact Lessor's compliance with any such permit, Tenant shall work cooperatively with Lessor and other tenants and take all actions necessary to ensure permit compliance, and minimize the cost of such compliance, for the benefit of Airport operations.

31.4 Upon any expiration or termination of this Agreement, and upon any change in possession of the Premises authorized by Lessor, Tenant shall demonstrate to Lessor's reasonable satisfaction that Tenant has removed any Hazardous Materials and is in compliance with applicable Environmental Laws. Such demonstration may include, but is not limited to, independent analysis and testing to the extent that facts and circumstances warrant analysis and testing, such as evidence of past violations or specific uses of the premises. The obligations of this Article 31 shall survive any termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

Signatures to follow.

LESSOR:

CITY OF LOCKHART, TEXAS

_____
Lew White, Mayor

ATTEST:

_____
City Secretary

APPROVED AS TO FORM:

_____
City Attorney

LESSEE:

LOCKHART AIR PARTNERS, LLC

By: _____
Name, Title

By: _____
Name, Title

PLAN NORTH

1 SITE

SCALE: 1" = 60'-0"

LEVY
DYKEMA

600 CONGRESS AVENUE
SUITE 100
AUSTIN, TX 78701
(512) 343-6177
www.LevyDykema.com

PRELIMINARY

This document was issued on 12/13/2022, by Stephen Levy, Architect, State of Texas, #18122. Not for regulatory approval, permitting, or construction.

FIELD INSPECTION REQUIRED

Prior to performing any bidding, new construction, and / or repairs, General Contractor shall visit the site, inspect all existing conditions, and report any discrepancies to the Architect.

LOCKHART AIRPORT EXPANSION

223 AIRPORT
LOCKHART, TX 78644

#	DATE	ISSUE
	12/12/2022	FEASIBILITY

Project Number: L2299

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ARCHITECTURAL SITE PLAN

AS-1-01

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: November 6, 2025

AGENDA ITEM CAPTION: Discussion and/or action to consider a request from Republic Services to extend the City's solid waste collection and disposal contract for an additional five-year term.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Direction

BACKGROUND/SUMMARY/DISCUSSION: The City of Lockhart began contracting solid waste collection services on April 3, 1988, with Central Texas Refuse (CTR), now Republic Services. Since 1991, the contract with CTR has been amended or extended prior to its expiration. Solid waste franchises may be awarded granting exclusive rights to collect solid waste within city limits without requiring competitive bids.

The current solid waste contract began June 1, 2021, for a five-year term and provides the option for one five-year extension. Upon approving the 2021 agreement, City Council expressed its intent to seek competitive bids prior to expiration of the initial term on June 1, 2026.

On October 9, 2025, Republic Services submitted official written notice of its intent to extend the term of the Agreement for an additional five years, per Section VII.A (Term and Termination) of the contract. Under the agreement, the requesting party must provide 180 days' advance written notice before the expiration of the current term to be eligible for renewal. Once received, the responding party has 60 days to issue a written response approving, denying, or requesting amendments to the extension. If the City does not respond within 60 days, the agreement is automatically extended as provided.

Currently, the City is working with Burns & McDonnell, a solid waste consultant, to prepare a Request for Proposals (RFP) for solid waste services. The current schedule is to solicit proposals in November–December 2025 to allow selection of a service provider prior to the contract's June 1, 2026 expiration.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends that City Council consider a motion to either (1) approve the five-year contract extension with Republic Services, (2) deny the extension and proceed with the competitive RFP process, or (3) direct staff to negotiate amended terms for future Council consideration.

LIST OF SUPPORTING DOCUMENTS: Republic Services - Request to Extend Existing Contract, 2021 Central Texas Refuse Contract

REPUBLIC SERVICES

Sustainability in Action

October 9, 2025

CONFIDENTIAL AND PROPRIETARY

Joseph Resendez
City Manager,
City of Lockhart
308 W. San Antonio St.
Lockhart, TX 78644

Dear Joseph,

Thank you for the trust the City of Lockhart has placed in our ability to provide your city's trash and recycling needs since 1988. Whether it was under the banner of Central Texas Refuse (CTR) or currently, Republic Services, our decades-long relationship has been mutually beneficial while striving to optimize our services to the residents.

Congratulations on your recent promotion to City Manager. We appreciate your willingness to work with our team throughout your tenure. We hope to continue to build on our partnership even as the City contemplates an RFP for the solid waste contract. We were pleased to see that many items identified at the recent workshop with Burns & McDonnell align with our discussions with the City and recommendations for enhancements to the service. We are still prepared to collaborate directly on these objectives in lieu of the RFP process.

Regardless of your decision we stand ready to continue to provide the City's residents with service that meets your expectations while we remain being a great community partner.

In addition, please let this letter serve as official notice of our intent to extend the Term of our Agreement expiring June 1, 2026, as per Section **VII. Term and Termination**, sub-section **A. Term.,** page 12 of the Agreement.

Kind Regards,

Alfonso Sifuentes
Republic Services

RECEIVED BY: _____
DATE: 10/9/25

SOLID WASTE COLLECTION, RECYCLING & DISPOSAL AGREEMENT

This Solid Waste Collection, Recycling, and Disposal Agreement ("Agreement") is entered into by and between the City of Lockhart, a Home Rule municipality located in Caldwell County, Texas (the "City"), and CENTRAL TEXAS REFUSE, LLC. (the "Contractor"), a Texas Limited Liability Company. Each party described above is referred to herein as a "Party" and, collectively, as the "Parties."

Recitals

WHEREAS, the City has an exclusive contract with the Contractor for (i) dumpster collection and disposal of commercial and industrial solid waste, (ii) residential and commercial hand collection and disposal of refuse, and (iii) curbside single stream recycling services, with a term expiring in September 2020 that has been extended by agreement of the Parties until May 31, 2021; and

WHEREAS, by execution of this Agreement, the Parties expressly intend the current contract be extended and replaced prior to the expiration of its term and disregarded for all purposes, other than enforcement of obligations incurred thereunder prior to the date of extension, and be fully replaced, superseded, and/or novated by this Agreement from the date of execution of this Agreement; and

WHEREAS, the Parties mutually desire to update the existing contract's initial term along with any future extension terms for the provision of recycling and solid waste disposal services pursuant to the terms and conditions set forth herein; and

WHEREAS, Contractor has agreed to provide exclusive recycling and solid waste disposal services to all commercial, industrial, and residential customers within the service area of the City, pursuant to the terms and conditions set forth herein; and

WHEREAS, the City has agreed to compensate Contractor for such services, pursuant to the terms and conditions set forth herein; and

WHEREAS, this Agreement is entered into by the City pursuant to the authority granted to the City by Section 30.002 of the Texas Water Code and Section 364.034 of the Texas Health and Safety Code;

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

I. DEFINITIONS

A. Unless otherwise provided herein, terms used in this Agreement shall have their plain and ordinary meaning. Terms given particular meaning, as used herein, are as follows:

1. Bags – means a non-dissolvable plastic sack with a capacity of up to approximately thirty-five (35) gallons designed or intended to store Municipal Solid Waste with sufficient wall strength to maintain physical integrity when lifted by the top. Total weight of the bag and its contents shall not exceed 30 lbs.

2. Bulky Waste – Bulky Waste Municipal Solid Waste composed of materials not easily containerized in a Cart such as, but not limited to, Brush, furniture, and large appliances. Bulk Waste shall include Municipal Solid Waste enclosed in bags. Such items shall not exceed 4 feet in length by 4 feet in Height and /or 40 pounds in weight.

3. Brush– means tree, shrub and brush trimmings securely tied together, forming an easily handled package not exceeding 4 feet in length or 40 pounds in weight.

4. Cart – means a poly waste receptacle or a recycling receptacle provided by Contractor with a capacity of ninety-five (95) gallons.

5. Commercial Unit – means any retail, commercial, industrial, manufacturing, or multifamily use or service. This definition and category include all units other than a "Residential Unit" as hereinafter defined.

6. Construction and Demolition Debris – means waste building materials resulting from construction remodeling, repair, or demolition operations.

7. Customer – means an occupant of a residential, commercial, or industrial unit or property within the City who generates Refuse and/or Recycling.

8. Disposal Site – means a refuse depository licensed by the State of Texas, including sanitary landfills, transfer stations, incinerators, and waste processing/separation centers licensed by the State of Texas to receive Refuse for processing or final disposal.

9. Force Majeure – means the following events or circumstances to the extent that they delay the City or Contractor from performing any of its obligations under this Agreement: acts of God, tornadoes, hurricanes, floods, sinkholes, fires, and explosions (except those caused by negligence of Contractor, its agents, and assigns), landslides, earthquakes, epidemics, quarantine, pestilence, and extremely abnormal and excessively inclement weather; acts of public enemy, acts of war, terrorism, effects of nuclear radiation, blockades, insurrection, riots, civil disturbances, or national or international calamities; and/or suspension, termination or interruption of utilities necessary to the operation of the recyclable material facility..

10. Hazardous Waste – means any chemical, compound, mixture, substance, or article designated by the United States Environmental Protection Agency or the Texas Commission on Environmental Quality to be "hazardous," as that term is defined by federal or state law.

11. Holiday – means Thanksgiving Day, Christmas Day or New Year's Day or any other dates as mutually agreed upon by City and Contractor.

12. Landfill – means a permitted sanitary landfill of the Contractor's selection.

13. Multi-Family – means all apartment projects and residential dwellings containing three or more units designed and intended for occupancy by a single family.

14. Prohibited / Excluded Items – means unacceptable items, including but not be limited to rocks, dirt, bricks, concrete, any item longer than 4 feet in length – 4 feet in height – or exceeding 40 lbs. in weight, car batteries, oil, oil filters or hazardous chemicals, which will not be collected during a curbside pickup.

15. Refuse – means all commercial, industrial, or residential municipal solid waste generated by a Customer.

16. Residential Unit – means a single-family dwelling and each unit of a multi-family dwelling within the incorporated limits of the City. A Residential Unit will be considered occupied for purposes of this Agreement if it receives water and wastewater utility services.

17. Recycling – means any process by which solid waste or materials that would otherwise become solid waste are separated, collected, and processed for reuse or returned to use or to market in the form of raw materials or products.

18. Rubbish - Rubbish means non-putrescible solid waste (excluding ashes), consisting of both combustible and noncombustible waste materials. Combustible rubbish includes paper, rags, cartons, wood, excelsior, furniture, rubber, plastics, brush, or similar materials; noncombustible rubbish includes glass, crockery, tin cans, aluminum cans, and similar materials that will not bum at ordinary incinerator temperatures (1,600 degrees Fahrenheit to 1,800 degrees Fahrenheit).

19. Recycling Container – means a ninety-five (95) gallon recycling cart.

20. Single Stream Recycling – shall mean recyclable materials that do not require the generator to subdivide the recyclable materials prior to collection. Eligible recyclable materials include:

a. Paper – shall mean kraft paper, corrugated containers that have liners of Kraft, jute, or test liner including dry food boxes, beer, and soda carriers, show boxes, old newspaper including slick paper inserts, other mixed paper including but not limited to junk mail, junk mail inserts, residential mixed paper, copier paper, office paper, formed bond, manifold business forms, writing paper, paper envelopes without plastic windows, manila folders, magazines, paperback books, and catalogs.

b. Plastic – shall mean any #1- #2 rigid plastic bottles, containers, jugs or jars that have been rinsed out. Examples include water and soda bottles, milk jugs and detergent bottles

c. Aluminum Cans - shall mean beverage containers made of aluminum

d. Steel and Tin Cans – shall mean food cans or bi-metal containers that have been rinsed out

e. Glass – will not be included.

II. SERVICES TO BE PEFORMED

A. The services specified in this Section II shall be provided to the City in exchange for the compensation specified in Section III, below.

1. Solid Waste Disposal.

(a) Contractor shall provide curbside collection of garbage (Utilizing One (1) 95-gallon cart) for Residential Units one time per week plus up to 7 additional items outside of the cart. Items outside of the cart may include Bags, Brush, and Bulky Waste. All items shall be placed at curbside by 7:00 a.m. on the designated collection day.

(b) The contractor shall provide for the special collection and hauling from Residential Units of Bulky Waste not eligible for curbside collection, for which a minimum charge of $10.00 per cubic yard as applicable shall be charged (minimum charge of $30.00 for collection of freezers and refrigerators). Construction Debris will be hauled at a rate to be determined by Contractor based upon Container size. Contractor and the Customer will negotiate total charge for such services prior to collection. Contractor will not provide for the special collection of hazardous waste.

The City shall, at the end of each month, furnish Contractor with a detailed unit count of all Customers located within the service area, along with any other information necessary for Contractor to identify all service locations.

Contractor shall collect Refuse from each Customer within the designated service area on mutually agreed upon days each week during the term of this Agreement. If the regular collection day falls on a Holiday, collection will occur on an alternate day of the week as noted by Contractor (to the City).

All Refuse collected by Contractor will be disposed of at a Disposal Site.

2. Single-Stream Recycling. Contractor shall also provide recycling services to all Subscription Customers within the service area utilizing One (1) 95-Gallon Cart. Such recycling services shall occur every other week (EOW) on a mutually agreed upon day or days of the week. Details and terms regarding recycling services and materials collected are included on the attached Exhibit "C" and are incorporated herein for all purposes.

3. Upon request from the City, Contractor shall provide a proposal for commercial and/or multi-family residential recycling in the City. In the event that City elects to implement commercial and/or multi-family residential recycling, this Agreement may be amended or an adjustment to rates, as described in Section III B 2, shall be implemented.

4. The Contractor shall transport all Program Recyclable Material collected pursuant to this Agreement to a proper MRF – Materials Recovery Facility. That facility will receive, sort, process, and market the recyclable materials that are of marketable quality. If contamination is present in the recycling cart, the cart will be tagged to notify the Customer because the materials were not collected.

   The recycling materials taken to Wilco Recycling or other contractor-designated facility that are of marketable quality will be marketed through existing national, regional, and local purchasing agreements arranged through Wilco Recycling or other contractor-designated facility. Due to transporting the collected recycling materials to a third-party facility, Contractor does not control the cost of the materials to be processed or marketed. Contractor does not guarantee the existence of a market for the materials at any time.

5. Receptacles to be Provided. Contractor shall provide one (1) 95-gallon Cart to each Customer for the collection of solid waste and shall also provide one (1) (95) gallon recycling Cart to each Customer that requests one for the collection of recycling materials. Contractor shall additionally provide dumpsters for the collection of multi-family, commercial, and industrial refuse and waste, to multi-family and the larger commercial and industrial units according to the terms and rates set forth herein as outlined in Exhibit "B". All receptacles will be in good condition, new or properly reconditioned, and Contractor shall replace any broken or damaged receptacles promptly upon request by the City. Based upon the information provided by the City pursuant to Section II.A.1,

above, Contractor shall provide Carts and recycling containers to all new Customers (and retrieve receptacles from all terminated Customers) no later than the next regular collection day following receipt of notice from the City. Additionally, Contractor shall notify the City of any Customers who have requested initiation or termination of solid waste or recycling service and are not reflected on the written lists provided by the City.

6. Placement of Receptacles. All Carts and Containers shall be unobstructed and readily accessible to Contractor's crew by 7:00 a.m. on collection day. Unless there are unique circumstances approved by Contractor, Carts and Containers shall be placed at the curbside adjoining that portion of the road or right-of-way for service locations agreed to by the City and Contractor. Additional Bags, Bulky Waste, or Brush shall be placed as close to the roadway as practicable or within five (5) feet of the roadway, without interfering with the Collection of the Cart or endangering the movement of vehicles or pedestrians. Following collection, Contractor shall place all emptied Carts and Containers upright and next to the curbside as close to the original placement as possible.

   When construction work is being performed in the right-of-way, Carts, Containers, Bags and Bundles shall be placed as close as practicable to an access point for Contractor's collection vehicle.

   Where any Customer is maintaining improper or inadequate refuse containers or is otherwise in violation of rules and requirements with respect to the location or content of refuse containers, Contractor may in its sole discretion refrain from collecting all or a portion of such refuse and shall not be deemed to be in default hereunder as a consequence of such non-collection. In such case, Contractor shall tag Non-compliant set outs and notify the City & the Customer within a reasonable time of the reason for such non-collection. Contractor shall resume collection once Customer eliminates the issue and conforms to all rules and requirements.

7. Large Debris Collection. Contractor shall provide, twice annually, at no additional charge, curbside collection of bulk garbage on a mutually agreed day, preferably on a Saturday. The City's customers will be notified in writing in advance of the bulk garbage collection date. Bulky items must be located at the curb area of each residence. Bulk garbage collection excludes construction or remodeling debris, dirt, rocks, bricks, concrete, tires, batteries, motor oil, cooking oil, waste generated by a private contractor or any materials or items deemed hazardous materials. Exhibit "C" attached hereto, and incorporated herein for all purposes, sets forth the details on all bulk debris collection service provided by Contractor.

8. Use of Automated Equipment. At the Contractor's sole discretion, the Contractor shall have the right to perform any obligations hereunder through

the use of semi- or fully automated equipment or a combination of either type of equipment. Should other equipment and/or technology become available, contractor shall have to right to utilize such equipment.

9. Contractor personnel. Contractor shall employ, train, and assign qualified persons to be in charge of its operations within City and at the site for disposal and recycling operations, and shall provide the name, office telephone number, mobile phone number, email address, and fax number of Contractor's representatives and key personnel to the City. Such records shall be updated as personnel or contact information changes.

10. Use of 130EP Landfill. Residential Unit Customers who provide a copy of their Lockhart utility bill shall be permitted to drop off items at 130EP at no additional charge. Such drop-off service will be available to Residential Unit Customers only (no commercial or industrial drop-off shall be permitted) and may be utilized unlimited times per year. Provided, however, Residential Unit Customers shall be limited to a total of 6 cubic yards of refuse per drop-off.

III. COMPENSATION

A. Billing. Contractor shall bill the City monthly, on or before the last day of each month, for all solid waste disposal and recycling services to be rendered by Contractor during the coming calendar month. The City shall pay Contractor within fifteen (15) days of its receipt of such invoice. Late payments shall bear interest at the rate of five percent (5%) per annum.

Contractor shall calculate the amount due for residential collection services each invoice by multiplying the Base Rate (as defined below for residential Collection and as outlined in Exhibit B for Commercial Units and Roll Off Services) by the number of Residential Units, Additional Carts, Senior Citizen, Disabled, Recycle Carts, and Commercial Units to be serviced. The number of Residential Units and Commercial Units to be serviced is indicated in Exhibit A and shall be amended by supplemental information supplied by the City at the end of each month, as required by Section II.A.1 above. The City and Contractor shall mutually agree on any such revised count, and Contractor's monthly invoices shall utilize the count derived from information supplied in the immediately preceding month.

Contractor shall also bill monthly for any services not included in the Base Rate. Contractor shall be entitled to payment for each invoice within fifteen (15) days of receipt by the City. Contractor shall be entitled to payment for each invoice regardless of whether or not the City collects payment from its Customers for services performed.

B. Base Rate. For collection, transportation and disposal of Refuse, Recycling Services, and for all other services set forth in this Agreement, other than services for which this Agreement provides an additional charge, the "Base Rate" shall be as set forth in

Exhibit "B" – Service Rates. The Base Rate shall include provision of receptacles as described in Section II.A.3, above.

1. Unless adjusted as provided herein, the Base Rate set forth above shall remain fixed for the First year of the term of this Agreement. Thereafter the Base Rate shall be adjusted annually by the amount of the Consumer Price Index—South Region United States ("CPI") change each year through expiration of the Term (each CPI adjustment to be based on the March CPI of the same year).

2. In addition to the above, the Contractor may petition the City for additional rate adjustments at reasonable times based on increases in cost of operations, caused by factors, such as revised laws, ordinances, regulations, and for other similar reasons. The Contractor's petition will specifically identify the reasons for the requested adjustment, and its impact upon the Contractor's cost of operations, in unit terms, with an explanation of the methodology used to calculate such impact. The City may request additional information it considers necessary to evaluate the requested adjustment. The City may grant such adjustments through amendments to the Agreement.

3. The total percentage increase for any given year shall not exceed 5% in such year.

4. Contractor shall provide written notice to the City of all such rate adjustments to the Base Rate not later than thirty (30) days prior to the effective date thereof, and all rate adjustments by Contractor shall be implemented effective June 1st of each year that the Agreement remains in effect. Each notice of adjustment shall include the appropriate data to support the proposed adjustment.

5. Contractor certifies that is shall maintain sufficient landfill capacity for the life of the Agreement, and a new landfill belonging to Contractor has or will soon become available within the County of Caldwell for the disposal of solid waste. Following commencement of use of that landfill for disposal of solid waste from City, the Contractor shall annually conduct an internal review and audit of current rates for services to be performed hereunder to identify any potential savings that may be realized by use of the new landfill. If potential savings are identified and such savings can be achieved by commercially reasonable means, the Contractor shall notify the City of a proposed adjustment to the Base Rate to reflect such savings. The City shall have the right to hire a disinterested, third party auditor to review the Contractor's internal audit, but the details of the Contractor's internal audit shall not be disclosed directly to the City or any other third parties and shall be deemed confidential and proprietary information belonging to the Contractor.

IV. CONTRACTOR OBLIGATIONS

A. Fee paid to City. Contractor shall pay a license, permit, or "franchise" fee, together with an administrative fee to the City during the term and any extended term of this Agreement equal to eight percent (8%) of the gross receipts for all collections for all residences, business, customers, and accounts within the City Service. Such fee shall be deducted by the City from payments paid to Contractor monthly.

B. In addition to other consideration contained herein, Contractor shall provide the following to City:

A. A yearly cash donation of $27,000.00 for City's discretion to use for public purposes.
B. Two annual City-Wide Clean Ups
C. All City of Lockhart facilities trash and recycling serviced at no charge to the City
D. Educational Program for training of faculty, staff, students and residents with K-12 in class curriculum
E. Annual tours of CTR landfill for the students of Lockhart ISD
F. Use of Training/Community Center at EP130 for City Functions and Chamber of Commerce Events

C. Vehicle and Property Condition. Contractor shall keep all vehicles utilized in the performance of its duties under the Agreement in proper operating condition. Contractor shall not operate vehicles that are leaking oil, hydraulic fluid or other substances or that are otherwise unsafe or in substantial disrepair. All vehicles will be properly and adequately covered, and no trash will be permitted to blow out of utilized vehicles.

D. Safety. All drivers utilized by Contractor for solid waste and recycling materials collection within the service area of the City shall be required to observe all safety laws, including without limitation, compliance with all speed limit and traffic control signs.

E. Supervision. Contractor shall provide adequate supervision to assure that all work will be done in accordance with the specifications and requirements of this Agreement and generally accepted solid waste disposal practices.

F. Performance Standards.

1. Collection areas shall be free of litter and debris within a ten-foot radius of Carts or Containers provided by Contractor. Provided, however, Contractor shall not be responsible for litter or debris caused or placed by Customers.

2. Contractor will undertake reasonable efforts to collect refuse and recycling materials regardless of barriers (e.g., blocked streets), except when the safety and health of Contractor's employees or the public may otherwise be negatively impacted.

3. Contractor will undertake reasonable efforts to maintain a consistent route schedule.

4. Contractor will avoid leaving loose trash during collection and will take reasonable precautions to prevent litter or debris resulting from its services.

5. Contractor will prohibit its drivers from using emergency brakes to stop a moving vehicle.

6. Contractor will maintain a 24-hour per day, seven day per week voice mail system to handle customer communications beyond regular business hours.

7. In the event of equipment breakdowns, Contractor will notify the City if services will be delayed or rescheduled for an alternate collection day.

8. Contractor shall take all necessary precautions to protect public and private property during the performance of this Agreement. Except for reasonable wear and tear, the Contractor shall repair or replace any private or public property which is damaged by the Contractor. If the Contractor fails to address the repair or replacement of damaged property within ten (10) days of written notification, the City may, but shall not be obligated to, repair or replace such damaged property, and the cost of doing so shall be deducted from payment to be made to the Contractor.

9. Contractor shall clean up any materials including leakage of fluids spilled from Contractor's vehicles by the Contractor, Contractor's vehicles, or Contractor's employees. During transport, all materials shall be contained, covered, and enclosed so that leaking, spilling, and blowing of materials does not occur. Contractor shall be responsible for the cleanup of any spillage or leakage caused by Contractor, Contractor's vehicles, or the Contractor's employees. with this Agreement.

10. The Contractor shall maintain collection equipment that is owned by the Contractor as to prevent the odors. The Contractor shall routinely clean collection equipment.

11. Customer Relations. Customer complaints, such as calls for missed pick-ups, shall be first directed to Contractor for resolution.

12. Penalty for Non-Performance. In the event the Contractor fails to perform a material obligation hereunder and further fails to cure such material default within ten (10) days following receipt of written notice and demand for cure by the City, the City shall have the right to impose a penalty of $150.00 per day until such time as the Contractor cures the default.

V. COMPLIANCE WITH APPLICABLE LAWS

Contractor will comply with all applicable federal, state, county, and city laws, ordinances, and regulations and any and all policies and guidelines of Contractor. Contractor will also obtain any licenses and permits required in performing all services rendered by Contractor under this Agreement.

VI. PERFORMANCE BOND, INSURANCE, AND INDEMNITY

A. Performance Bond. Contractor agrees that after the execution of this Agreement and one (1) month or more prior to the commencement of the work, Contractor shall make, execute, and deliver to the City a good and sufficient Performance Bond in a form approved by the City, to secure the full, complete, and faithful performance of the terms and conditions herein. Such Performance Bond shall be in the amount of one million five hundred thousand dollars ($1,500,000.00) and shall be renewed each year thereafter throughout the term of the Contract and any renewal periods. Contractor shall ensure the Performance Bond shall be signed by the President or General Officer of the Contractor, together with the signature of the corporate secretary and the corporate seal. The surety shall be a surety company duly authorized to do business in the State of Texas; having an "A" or better rating by A. M. Best or Standard and Poor's; included on the list of surety companies approved by the Treasurer of the United States of America; and acceptable to the City.

B. Insurance Requirements. Contractor shall secure and maintain in effect insurance to protect Contractor, its subcontractors, employees, and the City from claims for bodily injuries, death or property damage that may arise out of or result from Contractor's performance of its duties under this Agreement. The following minimum levels of coverage are required:

1. Public liability and property damage (no pollution exclusion endorsement shall be permitted):

   i. General Liability: $1,000,000 each occurrence

   ii. Property Damage: $1,000,000 each occurrence

   iii. Employer's Liability: $1,000,000

   iv. Bodily Injury: $1,000,000 each occurrence

v. Automobile: $1,000,000

2. Umbrella Liability: $5,000,000

3. Workers' Compensation: Statutory Limits

C. Indemnity. To the fullest extent permitted by law, each Party shall and does hereby mutually indemnify and hold harmless the other Party, as well as its officers, directors, agents and employees, from and against all claims, damages, losses and expenses, including without limitation, attorneys' fees, arising out of or related to this Agreement or the performance thereof, but only to the extent such claims, damages, losses or expenses are attributable to the negligent act or omission or other fault of the indemnifying Party. The indemnification obligations hereunder shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity that would otherwise exist to any Party or person described in this Section. The indemnification requirements set out herein shall not be limited by any limitation on the amount or type of damages, compensation or benefits payable by or for either Party under any insurance policy, workers' compensation acts, disability benefits acts or other employee benefit acts.

VII. TERM AND TERMINATION

A. Term. The initial term of this Agreement shall be for five (5) years, commencing on June 1st, 2021 and ending at midnight on the fifth anniversary of that date. Upon expiration of the initial term, the Agreement may be extended for an additional term of five (5) year(s) provided that proper notice is given and both Parties have consented to extension of the term.

For the purposes of this section, proper notice of an intent to extend the term of the Agreement must be delivered in writing by the Party seeking to extend the term and is ineffective unless received by the other Party no later than One Hundred Eighty (180) days prior to expiration of the term to be extended. Once proper notice to extend the term has been received, the receiving Party shall, no later than sixty (60) days from the date of receipt of such notice, inform the other party that it approves the extension, does not approve the extension, or desires to amend the terms of this Agreement. If the receiving party does not respond in writing within such sixty (60) days, the Parties shall be deemed to have consented to the extension, and the term shall be extended as provided herein.

B. Termination. If, at any time, the City defaults in its obligations under this Agreement, including the obligation to make timely payment for services rendered as provided herein, and the City further fails to cure the default following ten (10) days' written notice from Contractor, Contractor may terminate the Agreement for cause. In the event of such a termination, Contractor shall be entitled to payment for all services

performed prior to the date of termination, as well as any additional costs or damages incurred as a result of the termination or available by law.

VIII. FORCE MAJEURE

Force Majeure. If, by reason of Force Majeure, either Party is unable, in whole or in part, to carry out its obligation(s) under this Agreement, the Party whose performance is so affected shall give notice and full details regarding the impact of such Force Majeure to the other Party within a reasonable time after the occurrence of the instigating event or cause. Provided that proper notice is given, the obligation(s) of the impacted Party hereunder shall, to the extent impacted by the Force Majeure, be suspended for the duration of the impact, but in no event for a period longer than that period reasonably necessary for recovery from or mitigation of the impact caused by the Force Majeure event. To this end, the impacted Party shall take all reasonable measures necessary to overcome, remove or otherwise mitigate the impact of the Force Majeure event. During such period of suspension, any obligations of the non-impacted Party shall continue without interruption, except to the extent such obligations rely upon, or are predicated by, the suspended obligations of the impacted Party.

IX. MISCELLANEOUS

A. Extra Work. Except as otherwise provided herein, all work outside the express terms of this Agreement must have prior written approval by both Parties. Charges for extra work will be submitted to the City for approval prior to commencement of the work.

B. Assignment. Except as otherwise provided herein, this Agreement may be assigned by Contractor with the prior, written consent of the City. The use of any subcontractor shall be subject to the prior, written approval of the City, such approval not to be unreasonably withheld. Provided, however, Contractor expressly reserves the right to assign this Agreement, including any and all rights, duties, responsibilities and/or obligations hereunder, as may be necessary or appropriate to affect any internal restructuring or other transfer of ownership between Contractor and any of its affiliates, partners, or subsidiaries.

C. Venue & Choice of Law. This Agreement shall be construed under and in accordance with the laws of the State of Texas, and the Parties expressly consent to the jurisdiction of the courts therein. All obligations of the Parties hereunder are performable in Caldwell County, Texas, and venue for any claim or action arising hereunder shall lie exclusively in Caldwell County, Texas.

D. Succession. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

E. Severability. If any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal, void, or unenforceable in any respect, such provision(s) shall be reformed to the minimum extent necessary to cure the violation and render the clause fully valid and enforceable. In the event such revision is not possible, the Agreement shall be construed as if such invalid, illegal, void, or unenforceable provision(s) had never been contained herein, and the offending provision(s) shall have no impact or effect on the validity or enforceability of the remaining provisions.

F. Entire Agreement. This Agreement constitutes the sole and entire agreement between the Parties with respect to the subject matter hereof and supersedes any prior understandings or written or oral agreements between the Parties with respect to same. The Agreement may not be amended or modified except by a written document signed by both Parties.

G. No Waiver. One or more waivers of any covenant or condition by either Party shall not be construed as a waiver of a subsequent breach of the same covenant or condition. The waiver or exercise of any legal right hereunder shall not be construed as a waiver of any other action or right either Party may have pursuant to the terms of this Agreement.

H. Notices. All notices, requests, demands or other communications required or permitted under this Agreement must be in writing and delivered personally or by certified mail, return receipt requested or by overnight courier (such as Federal Express), and addressed to the Parties at the addresses set forth below the signature lines of this Agreement. All notices given in accordance with the terms hereof shall be deemed given upon placement with a carrier for delivery as provided herein and shall be deemed received upon actual receipt by the other Party. Either Party may change the address for receiving notices, demands or other communication by written notice to the other Party sent in accordance with this section.

I. Counterparts. This Agreement may be executed in one or more counterparts, each of which, when so executed and delivered, shall be deemed to be an original but together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the 1st day of June 2021 (the Effective Date).

CENTRAL TEXAS REFUSE, LLC.

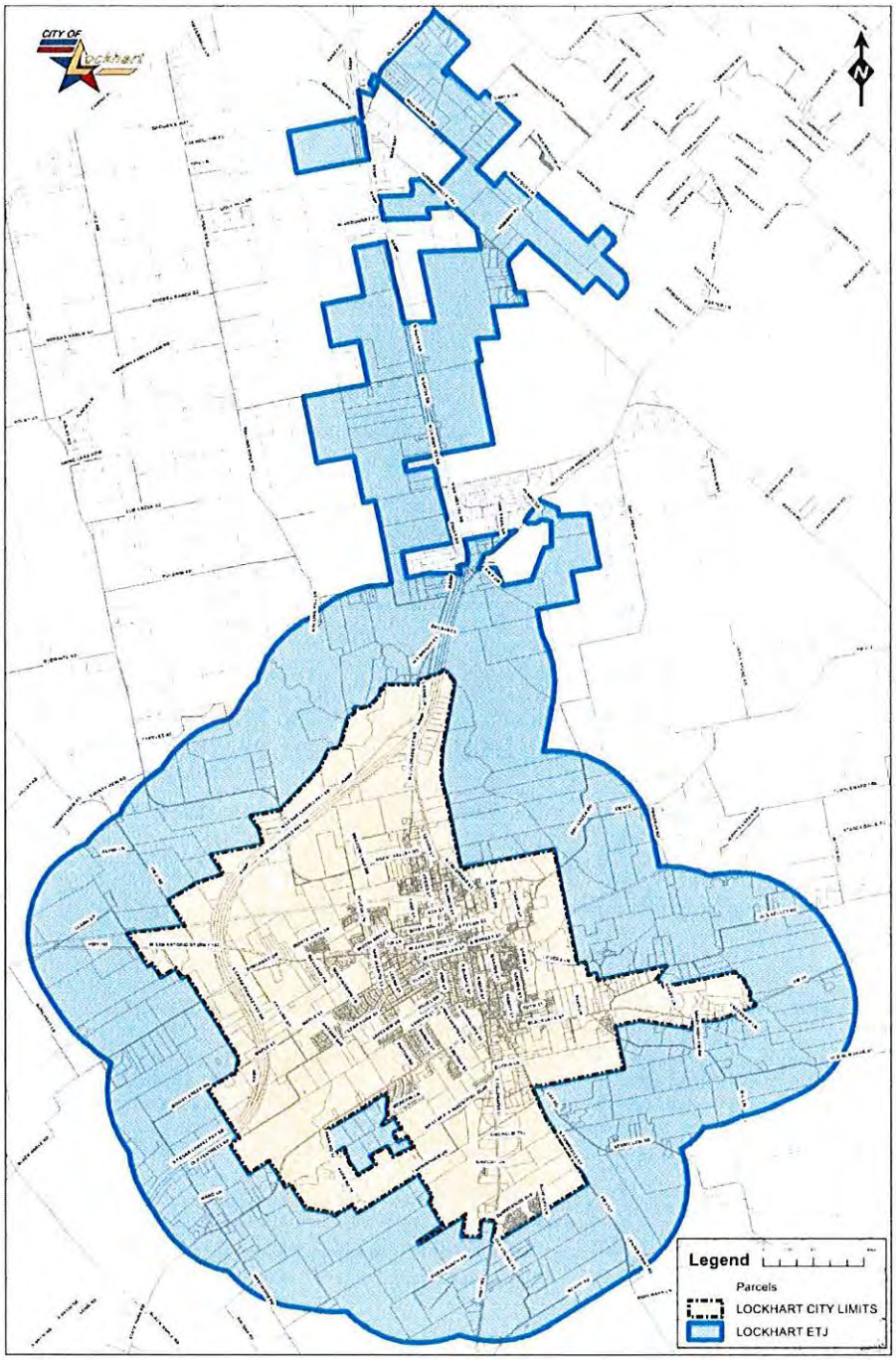
Michael E. Lavengco, CEO

CITY OF LOCKHART

Lew White 6-1-21

Lew White, Mayor

Exhibit "A"
Designation of Service Area



Service area is tan area only.

Exhibit "B"

Rates for Solid Waste Collection, Recycling, & Disposal

Collect Residential Refuse at Curbside

Contractor will provide curbside hand collection service of residential refuse and waste to each Residential Unit as follows:

Monthly Rates beginning on the Effective Date:

(i) Residential Collection (once per week) = **$13.30**
(ii) Seniors (once per week) = **$10.92**
(iii) Additional 95-gallon cart = **$5.94**
(iv) Recycling =**$3.00**

Collect Commercial Refuse

Contractor will provide collection service of Commercial refuse and waste for multi-family dwellings, apartment projects, commercial and industrial customers as follows:

Monthly Rates:

(1). The rates and charges for customers in this category are as follows:

$ 18.00 Monthly Rate for (1) Commercial 95-gallon cart serviced once per week **$ 5.94** Monthly Rate for each additional 95-gallon cart serviced once per week

The above rates are subject to change as provided herein.

Commercial Trash Bin and Roll off Dumpster Services

Rates beginning on the Effective Date

	EOW	1X WEEK	2X WEEK	3X WEEK	4X WEEK	5X WEEK	EXTRA P/U
2-YARD	$44.62	$59.49	$101.71	$123.17			$20.93
3-YARD	$53.34	$69.78	$118.19	$153.98			$23.74
4-YARD	$63.01	$84.01	$133.44	$184.73			$31.39
6-YARD	$74.77	$99.70	$158.68	$250.43			$41.89
8-YARD	$94.25	$125.67	$206.87	$283.07			$52.34
10-YARD	$119.26	$152.42	$239.51	$326.60	$435.68	$544.74	$62.82

Roll-off Services

The following rates and fees shall be applicable to Commercial Customers and others requiring service at a level in excess of the highest level of each category of customer provided above to be made available with roll off dumpsters. These services will be via roll-off container as follows:

(i) Delivery fee for all sizes = **Included in price**
(ii) Daily rental fee for all sizes = **$3.75**
(iii) 20 yd. = **$475.00** per haul
(iv) 30 yd. = **$540.00** per haul
(v) 40 yd. = **$605.00** per haul

The above rates in this subsection shall be multiplied by 1.08 to result in rates charged by the Contractor sufficient to fund administrative charges and pay the franchise fees. Fees for roll off services shall be invoiced and collected by the Contractor. A fuel surcharge as published on the FuelGauge.com website or other comparable source as approved by the City Manager or designee shall also be applicable for the above rates.

Exhibit "C"

Services to Be Performed by Contractor

Solid Waste Collection

Contractor shall provide curbside collection service for the collection of residential refuse to each residential or commercial unit one (1) time per week, as provided herein.

All will make use of 95-gallon Carts as provided by Contractor. Up to 7 Additional items may be included in weekly collection outside of the contractor provided 95 – gallon Carts. All additional items Bulky Waste, Bags, and Brush shall be no more than 4 feet in length, 4 feet in height, and No More than 40 lbs. in weight. Collection of refuse shall be made between 7:00 A.M. and 6:00 P.M. All acceptable Carts and approved items shall be placed at curbside by 7:00 A.M. on the designated collection day, but no earlier than the evening before the regularly scheduled collection. Exceptions to collection hours shall be affected only upon mutual agreement of the City and Contractor, or when Contractor reasonably determines that an exception is necessary in order to complete collection on an existing collection due to unusual circumstances and notified and received approval from the City.

Brush picked up as part of the Contractor's normal service must be bundled in lengths not greater than (4) four feet in length, and not greater than 40 lbs. in weight. Such bundles will be tied sufficiently so that the bundle can be lifted by the ties into Contractor's vehicle.

Special Annual Clean-up:

For no additional charge Contractor will, 2 days a year, provide curbside collections for a "City-Wide Clean-up" as mutually agreed upon by Contractor and the City. Customers will receive this service during the designated Days as mutually determined. During this event, the following items will be collected at the curbside by the Contractor: all Bulky Waste, construction materials qualifying as Bulky Waste (less than 4 feet in length by 4 feet in height & less than 40 lbs.), bulk items (Compliant white goods), and brush less than 4 feet in length and less than 40 lbs., and bags. Chemicals, oil base paints & cleaners. oil, oil filters, anti-freeze, tires, and batteries will not be accepted for pickup. Material not accepted at the landfill will not be accepted at the cleanup site. During the designated cleanup days, structure or partial demolitions of structures will not be collected if the materials exceed Bulky Waste specifications. The City will provide all public notices for the Annual City-Wide Clean-up days via the City information channel, utility billing inserts and local newspapers/media.

Note: Any Customer who, in the opinion of the Contractor and the City, abuses this privilege, shall pay an additional sum to Contractor, said sum to be agreed upon between the City and the Contractor on a case-by-case basis.

Additional Items below may be included during Special Annual Clean Up Days:

Appliances: Stoves, water tanks, washing machines, dryers, refrigerators, air conditioners, sinks, toilets, and like items. Refrigerators and air conditioners must have their Freon removed by a certified technician and be tagged. Units that are not certified will have a charge of $30.00 per unit. This will be billed directly to the Customer. The Contractor is not required to pick-up bathtubs, shower stalls and like items.

Furniture: Couches, beds, mattresses, love seats, tables, chairs, lamps, microwaves, etc.

Tires: Tires shall not be accepted for collection as a bulky item or during the Special Annual Clean up days from residential without special preparation. All tires must be quartered or shredded prior to being accepted for regular collection or they will not be picked-up.

Items Not Collected: Construction debris out of Bulky Waste specifications, dead animals, toxic or hazardous waste, batteries, stable matter, rubbish, rocks, dirt, concrete, ammunition, hot ashes, medical waste, auto parts, tires, special waste, stumps, and any item containing CFCs are included as bulky items Not collected as part of normal residential service. Bulky items, not defined as acceptable bulky items or "white goods" (which are not included in Solid Waste Collection), may be collected and disposed of by the Contractor through separate and independent arrangements at the resident's additional expense as identified by the Contractor. An example would be a resident's construction debris from a major renovation of their residence. No TV's.

Disabled at the Door Services

Upon verification by City, a trash services Customer who has provided acceptable proof of disability can be provided upon request with "Garage Door" trash collections services provided the trash cart is readily visible, easily accessible, and within 75' of the street right of way and is not enclosed in any manner.

Recycling:

Recycling carts shall contain only the items listed below. A cart contaminated by the presence of fifty percent (50%) or more of non-recyclable items will be tagged to notify the Customer as to why the materials were not collected.

PAPER: All newspapers, including inserts such as ads or coupons, are recyclable. No phone book or envelopes are permitted. Cardboard (Excluding Pizza Boxes or any other Wax Coated Containers)

ALUMIMUM CANS: Beverage cans only (beer and soda). Please, no aluminum foil or pie pans.

STEEL AND TIN FOOD CANS ONLY: Please rinse and remove labels.

PLASTIC DRINK BOTTLES: Clear or opaque plastic drink containers with the number "1PETE" or "2 HDPE", which hold drinks like milk, soda water, etc. are recyclable. Colored plastic containers are recyclable, except containers which held laundry detergent or chemicals.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: November 6, 2025

AGENDA ITEM CAPTION: Discussion and/or action regarding authorizing staff to release the Request for Proposal (RFP) for Solid Waste and Recycling Collection Services.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: The City of Lockhart has been working with Burns & McDonnell to prepare a Request for Proposals (RFP) for Solid Waste and Recycling Collection Services in anticipation of the current contract's expiration on June 1, 2026. The City's existing provider, Republic Services (previously Central Texas Refuse [CTR]), has served Lockhart since 2004, with the current agreement approved in 2021 until June 1, 2026.

The proposed RFP seeks qualified waste management firms to provide the following services:

- Residential Trash Collection
- Residential Recycling Collection
- Residential Yard, Brush, and Bulky Waste Collection
- Residential Household Hazardous Waste Collection
- Commercial Trash and Recycling Collection

Proposers will also be responsible for processing and disposal of collected materials and providing program support such as customer service, education, and cart maintenance.

Key RFP and Contract Enhancements:
Respondents to the RFP are requested to provide proposals and pricing for the following services and contract components:

- Multiple residential cart sizes (96-, 64-, and 32-gallon) with once-per-week collection service.
- Every-other-week curbside recycling with opt-in and universal participation options, including expanded materials such as plastics #1–7 and glass.
- Yard, brush, and bulky waste collection services up to four cubic yards per service, with flexible monthly, quarterly, or by-appointment options.
- Commercial recycling and special event collection services.
- Solid waste and recycling service at no cost for all City facilities.
- At least two annual community cleanup events and one annual Household Hazardous Waste collection or drop-off option.
- Updated CPI-based rate adjustments, liquidated damages provisions, and electronic tracking requirements.

- An initial five- or seven-year contract term, with optional renewals not to exceed ten years total.

A more comprehensive list of requested services and contract components is provided in the attached presentation.

Proposed Project Schedule:

- November 10, 2025 – RFP Release Date
- December 19, 2025 – Proposal submission deadline
- December 22, 2025 – Proposal opening date
- January 2026 – Interviews and negotiations with proposers
- January–February 2026 – Council consideration and authorization of contract award
- February-June 2026 - Transition period, if needed
- June 1, 2026 – Service commencement date

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

- August 19, 2025 – Council approved professional services agreement with Burns & McDonnell to prepare the RFP.
- September 30, 2025 – Council provided direction on desired service and contract components.

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Provide direction to staff regarding the release of the Request for Proposal for Solid Waste and Recycling Collection Services.

LIST OF SUPPORTING DOCUMENTS: Solid Waste and Recycling Services RFP Presentation

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

SOLID WASTE AND RECYCLING REQUEST FOR PROPOSALS

BACKGROUND

- Current Provider is Republic Services.
- Residential Waste Services Began in 2004 with CTR.
- Previous contract was set to expire in September 2020, initial extension granted until May 31, 2021.
- June 2021, Council approved a five-year extension with Republic Services effective until June 1, 2026.
- August 19, 2025 – Council approved a solid waste consulting service agreement with Burns & McDonnell to assist City staff on preparing a RFP for Solid Waste and Recycling Collection Services.
- September 30, 2025 - Council meeting with Burns & McDonnell and City staff to provide direction on requested service/contract components.

Current Accounts

- 6,238 Residential Accounts
- 565 Non-residential Accounts
- 1,346 Voluntary Residential Recycling Accounts
- 37 Valet Customers

RFP/CONTRACT ENHANCEMENTS

Service/Contract Component	
Residential Collection Services	• Pricing for multiple cart sizes 96-gallon, 64-gallon and 32-gallon carts. • Once per week service. • Basic service will include one cart per resident with additional carts available for a fee. • Discontinue 7 bags, bulky, and brush outside of cart setouts.
Non-Single-Family Residential Collection Services	• Pricing for commercial recycling. • Pricing for special events. • City facilities to be serviced at no costs.
Recycling	• Every other week curbside service. • Pricing for Opt-In and Universal Residential Collection. • Pricing to add plastics #1-7. • Pricing to add glass.

RFP/CONTRACT ENHANCEMENTS

Service/Contract Component	
Yard, Brush, and Bulky Waste Collection Servies	• Proposer to provide pricing for yard, brush and bulky services for up to 4 cubic yards of yard, brush and bulky waste per collection. • Pricing will include options for monthly, quarterly and by appointment services. • Additional yard, brush and bulky waste will be coordinated between the contractor and the resident, including pricing, prior to disposal of additional items. • Proposer to provide at least two (2) annual Community Clean-up Events.
Misc.	• Pricing for tires, freezers and refrigerators. • Request annual contribution to the City of $27,000. • Educational Outreach.
Household Hazardous Waste Collection	• Requesting one annual HHW collection event with in-city or access to an HHW drop-off disposal site.
Carts	• Pricing options for City and contractor purchase. • The contractor provides storage, maintenance and warranty services.

RFP/CONTRACT ENHANCEMENTS

Service/Contract Component	
Days and Hours	• Services to be provided between the hours of 7am to 6pm, Monday through Friday, with Saturday collection as needed for additional capacity and as required to make up collection due to holidays. • Proposers shall indicate if commercial collection can be provided weekly on Saturdays.
Rate Adjustments	• Updated CPI aligns with solid waste industry. • Increase shall not exceed 5% for a single year or 15% over a four-year period.
Communications	• Electronic Tracking of vehicles. • Customer service resolution.

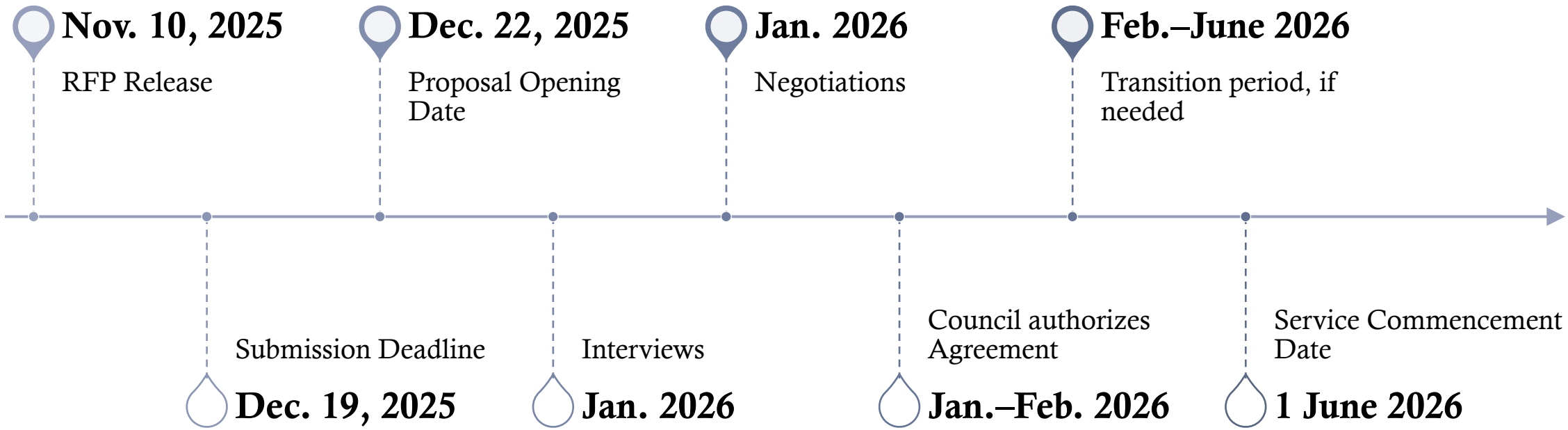
RFP/CONTRACT ENHANCEMENTS

Service/Contract Component	
Landfill Drop-offs	• Caldwell County has an agreement allowing for County residents' access to landfill drop-off disposal services. • The agreement is up for renewal in 2033. • If the County does not enter into an extension for this agreement, the Proposer shall allow for Residential Unit Customers up to 6 cubic yards of Trash per drop-off.
Missed Collections	• If the Contractor is notified of a confirmed missed collection prior to 1:00 PM then the Contractor shall return to the property to pick-up the missed collection on the same day that notice is received. • If the Contractor is notified of a missed collection after 1:00 PM then the Contractor shall return to the property pick up the missed collection no later than 5:00 PM on the day after the complaint is received.

RFP/CONTRACT ENHANCEMENTS

Service/Contract Component	
Term	• Optional Renewal Term(s) with a combined total length of not more than five (5) or seven (7) years such that the combined total Agreement Term including the Initial Term and the Optional Renewal Terms(s) shall not exceed ten (10) years.
Liquidated Damages	• Liquidated damages for missed collections, failure to clean spills, repair property damage, respond to complaints, or meet other performance standards.
Transition Plan	• Must be submitted as part of the proposal.

NEXT STEPS


Nov. 10, 2025
RFP Release
Dec. 22, 2025
Proposal Opening Date
Jan. 2026
Negotiations
Feb.–June 2026
Transition period, if needed
Submission Deadline
Dec. 19, 2025
Interviews
Jan. 2026
Council authorizes Agreement
Jan.–Feb. 2026
Service Commencement Date
1 June 2026

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: November 6, 2025

AGENDA ITEM CAPTION: Discussion and/or action to consider rescheduling City Council meetings in 2026 due to conflicts with a city holiday or event.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Julie Bowermon

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: Annually reviewing council meeting dates for conflicts is important to provide Development Services with an accurate Council meeting schedule when publishing public notice information about public hearings, such as zoning change applications.

Attached is a calendar that reflects the meeting conflicts in 2026 as listed below:

Tuesday:

- October 6, 2026 - National Night Out
- November 3, 2026 - Election Day

The 2026 TML Annual Conference will be held on November 11 - 13 in San Antonio.

PROJECT SCHEDULE (if applicable): N/A

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: N/A

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: N/A

LIST OF SUPPORTING DOCUMENTS: 2026 Council meeting calendar, .

X = HOLIDAYS

O = COUNCIL MEETINGS

□ : TML ANNUAL CONF

2026

⊗ = COUNCIL MEETING CONFLICT

- NOV 3RD = ELECTION DAY

- OCT = NATIONAL NIGHT OUT

January

S	M	T	W	T	F	S
				X	2	3
4	5	O	7	8	9	10
11	12	13	14	15	16	17
18	X	O	21	22	23	24
25	26	27	28	29	30	31

February

S	M	T	W	T	F	S
1	2	O	4	5	6	7
8	9	10	11	12	13	14
15	X	O	18	19	20	21
22	23	24	25	26	27	28

March

S	M	T	W	T	F	S
1	2	O	4	5	6	7
8	9	10	11	12	13	14
15	16	O	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

April

S	M	T	W	T	F	S
			1	2	X	4
5	6	O	8	9	10	11
12	13	14	15	16	17	18
19	20	O	22	23	24	25
26	27	28	29	30		

May

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					1	2
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10	11	12	13	14	15	16
17	18	O	20	21	22	23
24	X	26	27	28	29	30
31						

June

S	M	T	W	T	F	S
	1	O	3	4	5	6
7	8	9	10	11	12	13
14	15	O	17	18	X	20
21	22	23	24	25	26	27
28	29	30				

July

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19	20	O	22	23	24	25
26	27	28	29	30	31	

August

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						1
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16	17	O	19	20	21	22
23	24	25	26	27	28	29
30	31					

September

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6	X	8	9	10	11	12
13	14	O	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October

S	M	T	W	T	F	S
				1	2	3
4	5	X	7	8	9	10
11	12	13	14	15	16	17
18	19	O	21	22	23	24
25	26	27	28	29	30	31

OCT 6 = NNO

November

S	M	T	W	T	F	S
1	2	X	4	5	6	7
8	9	10	⊗	□	□	14
15	16	O	18	19	20	21
22	23	24	25	X	X	28
29	30					

NOV 3RD = ELECTION DAY

TML CONF NOV 11-13 IN SAN ANTONIO

December

S	M	T	W	T	F	S
		O	2	3	4	5
6	7	8	9	10	11	12
13	14	O	16	17	18	19
20	21	22	23	X	X	26
27	28	29	30	31		

Lockhart
TEXAS

2022-2023 Strategic Work Plan

The Strategic Planning Process

From January through April 2022, the City of Lockhart embarked on a strategic planning process to create strategic priorities for 2022-2023. The following is the process used to reach the conclusions for the plan:

The process kicked off with a preliminary Zoom between the City Manager, Steve Lewis, Mayor Lew White, and professional facilitator Alysia A. Cook, PCED, IOM with Opportunity Strategies LLC. The three met to review key issues facing the city, understand the programs and projects currently underway, and to prepare the process and format for the planning session.

On April 8, 2022, the City of Lockhart Management Team met at the Library for Part 1 of the Strategic Work Planning Session for 2022-2023.

On April 9, 2022, the City of Lockhart City Council and City Manager met at the Library for Part 2 of the Strategic Work Planning Session for 2022-2023.

Day One – Management Team

Day One began with City Manager Steve Lewis reviewing with the Management Team the City of Lockhart's accomplishments and success stories of 2021.

Following that, the City Manager and the facilitator shared some leadership concepts and considerations with the Lockhart Management Team. This led to some group discussions about the importance of continuous learning and leadership development.

The City Manager discussed with the participants that when goals are adopted by the City Council, they provide a positive impact for the Management Team in at least 4 different ways:

a) Direction is clearly set by City Council
b) Once that direction is established, differences can be discussed in a more open, less polarizing manner
c) Saves time in decision making on projects/programs
d) City Manager's recommendations can be better aligned with ultimate objectives

Mission of Lockhart Management Team

To promote and influence the alignment of organizational resources by focusing on:

a) Organizational planning and issues
b) Open communication with elected officials, staff, boards, commissions, and citizens
c) Ensuring City of Lockhart is a leader in Central Texas regarding issues with community relevance
d) Implementing programs that derive from the City Council and community's goals

Start – Stop – Continue

The facilitator then engaged the Management Team in a group exercise called *Start – Stop – Continue* which divides participants into small groups and has them offer feedback on what the City needs to start doing, stop doing, and continue doing.

These are individual manager recommendations and not necessarily agreed to by all managers or by City Council members. The responses are as follows:

Start

- Long-term capital planning
- Increasing non-emergency communications
- Administering annual customer service surveys that are statistically valid
- Developing recreation programs
- Indoor community recreation center
- City facilities and community infrastructure improvements
- New spaces for city facilities
- Modernize Human Resources policies including technology
- A vehicle acquisition fund
- Decreasing steps in the hiring process
- Staff planning for future growth
- Modernizing our contracts, best practices, attorney, etc. including reviewing for mutually beneficial language and avoiding one-sided contracts

Stop

- Ineffective/outdated contracts
- Thinking small
- Six-month probationary period for personnel
- Reconnecting customers after 10pm
- Providing free services (such as banners and road closures) and establish a fee schedule for these special requests
- Requiring utility inspections for every change of occupant

Continue

- Longevity pay
- Forward-looking planning for quality growth
- Law enforcement outreach with community
- Contracting (sending RFPs) for solid waste collection
- Supporting tourism
- Modernizing technology, e.g. paperless, Go Green
- Enhancing community investment
- Planning our wayfinding and signage
- Growing events that enhance overnight stays in Lockhart and maximize HOT $ collections
- Economic growth including considering developing a 4th industrial park
- Striving for improved customer service
- Community engagement including public open houses and social media

Next, the Management Team embarked on a discussion around the following topics which also included some departmental reports on the status of various projects:

- Growth Trends
- Land Development
- Economic Development
- Service Delivery
- Workforce Development
- Long Range Financial Outlook

Following those discussions, the facilitator led the Management Team through a discussion of what they each thought should be the 2022-2023 goals City Council would establish the following day. She recorded those recommendations, then the group reached consensus on what would be put forth to the Council to consider.

The final decisions for 2022-2023 were made by City Council the following day and are listed below.

Day Two – City Council

Day Two began with City Manager Steve Lewis reviewing with City Council the City of Lockhart's accomplishments and success stories of 2021.

Expectations – City Council

Following that, the facilitator asked City Council to share any expectations for the day. Responses were as follows:

- TxDOT – Wayfinding and Signage
- Summerside Subdivision turn lane and traffic light
- Urgent Care facility
- Comprehensive mental health care for first responders
- Keeping City Staff wages competitive
- Need for an Assistant City Manager
- Need for a grantwriter
- Regional animal shelter
- Next industrial park and/or property

The following is the City of Lockhart 2022-2023 Strategic Work Plan.

City of Lockhart Vision:

- To be a first-class community that has maintained its integrity and sense of community characterized by livable neighborhoods and quality schools.
- To be a City that focuses on family by ensuring quality recreational and cultural activities, services, housing, economic, and educational opportunities that promote a well-rounded productive member of the community.
- To be a City that is friendly to visitors and future residents with a spirit of fellowship and cooperation by accommodating their needs and recognizing the wealth in cultural, ethnic and age diversity.
- To be a City committed to sustainability by diligently balancing community needs with available resources and managing growth in a smart and fiscally responsible manner.
- To be a City that celebrates and embraces its long and rich history by reinvesting in neighborhoods, preserving areas and buildings of historic significance and returning the Central Business District to an economically viable and lively activity center.
- To be a City recognized for the quality of its built environment and the integration of the natural landscape throughout the community.
- To be a City that ensures a good balance between residential, commercial, industrial, and public/institutional uses supported by quality infrastructure and transportation systems.
- To be a City known for its innovative solutions to managing growth, progressiveness of City government, and responsiveness to the needs of citizens and businesses.

Source: Lockhart 2020 Comprehensive Plan

Goal #1: City Facilities

Goal #2: Human Resources/ Staffing

Goal #3: Parks & Recreation

Goal #4: Infrastructure

Goal #5: Modernization & Communications

Goal #6: Development & Quality of Life

Goal #7: Revenue Sustainability

2022-2023 Goals:

Each of the following seven goals is guided by the values of diversity and inclusion. Diversity and inclusion are a tapestry that is woven through every goal, every service, and every program.

Goal #1: City Facilities
To begin planning for new city facilities and offices.

Goal #2: Human Resources/Staffing
To enhance our HR services to ensure Lockhart remains a competitive employer.

Goal #3: Parks & Recreation
To develop the Parks & Recreation program and services.

Goal #4: Infrastructure
To enhance physical infrastructure and branded wayfinding throughout Lockhart.

Goal #5: Modernization & Communications
To modernize our in-house and online technology, systems, and communications to serve residents more efficiently and tell the Lockhart story.

Goal #6: Development & Quality of Life
To continually improve the quality of life and employment opportunities of the people of Lockhart.

Goal #7: Revenue Sustainability
To ensure the long-term financial health and sustainability of the City of Lockhart.

Goal #1: City Facilities

To begin planning for new city facilities and offices.

1.1 Consider which facilities improvements should be funded by certificates of obligation vs. bonds
1.2 Begin plans to replace/update City Hall
1.3 Begin plans to replace/update Police/Fire/Training facilities
1.4 Begin plans to replace/update Maintenance/City Barn Utilities
1.5 Reclaim old space at the hospital
1.6 Lease additional space at the EDC building
1.7 Conduct a Facilities Study with architects and engineers
1.8 Consider Airport improvements (TxDOT Aviation) in the study

Goal #2: Human Resources/Staffing

To enhance our HR services to ensure Lockhart remains a competitive employer.

2.1 Hire ACM (Assistant City Manager) immediately
2.2 Hire City Manager Support Staff (Executive Assistant or Administrative Assistant)
2.3 Once new ACM is hired, assign him/her with developing a Staffing Plan
2.4 Once new ACM is hired, assign him/her with developing a Succession Plan
2.5 Consider adding additional staff city-wide as needed
2.6 Retain law enforcement officers by ensuring compensation competitiveness
2.7 Implement a formal EAP (Employee Assistance Program)
2.8 Secure a grantwriter (explore opportunities for hiring one vs. contractor)

Goal #3: Parks & Recreation

To develop the Parks & Recreation program and services.

3.1 Develop adult and youth programming that utilize existing facilities
3.2 Conduct successful outreach to sports leagues across Texas and neighboring states
3.3 Consider new Parks & Rec facilities such as pickleball, volleyball, and frisbee golf
3.4 Plan for and implement safety improvements of existing facilities
3.5 Plan for and implement aesthetic improvements of existing facilities
3.6 City Council requests to meet with Parks & Rec Director and City Manager to discuss ideas and brainstorm next steps in the Parks Plan including:
- Work session, then tour Parks facilities with Parks & Rec Director
- Discuss short-term vs. long-term Parks & Rec needs
- Develop plan to survey citizens including bond exploration

Goal #4: Infrastructure

To enhance physical infrastructure and branded wayfinding throughout Lockhart.

4.1 Conduct public open houses to determine public wishes for Downtown
4.2 Council to approve a final Downtown Conceptual Design and authorize staff to implement
4.3 Consider an additional commercial district with retail and mixed-use offerings
4.4 Issue the RFP for a Comprehensive Plan update (hire firm by January 2023, then CIP (capital improvement plan) to follow
4.5 Explore downtown WiFi options including geofencing

Goal #5: Modernization & Communications

To modernize our in-house and online technology, systems, and communications to serve residents more efficiently and tell the Lockhart story.

5.1 PIO (Public Information Officer) to secure proposals for a new website design including:
- Online forms and application portals (permitting, employment, variance requests, etc.)
- Must be mobile responsive platform
- Ensure ease of use and innovative utility of site
- Include a portal to the Lockhart Economic Development Corporation website

5.2 Hire a consultant to 1) build a survey to ask the public what information they seek to find on the City of Lockhart website and 2) compare Lockhart website to other communities with high utilization of an innovative website

5.3 Streamline application processes of permits, developer proposals, engineering, employment, etc. to be placed on website (see 5.1)

5.4 Verify internet access at all City facilities

Goal #6: Development & Quality of Life

To continually improve the quality of life and employment opportunities of the people of Lockhart.

6.1 Consider proposed sidewalk ordinance
6.2 Facilitate/incentivize more housing options including:
- Rental housing options
- Workforce housing options
- Higher-income housing
- Infill/revitalized housing within centers of commerce (existing or planned)
- Senior/retiree housing

6.3 Continue to promote family-friendly events in Downtown
6.4 Encourage higher development standards (within state legislature contraints) to research modernization techniques and make recommendations to City Manager for consideration
6.5 Continue to implement Animal Control Audit recommendations
6.6 Continue to provide concerts on the square

Goal #7: Revenue Sustainability

To ensure the long-term financial health and sustainability of the City of Lockhart.

7.1 Explore and increase film production permitting fees
7.2 Create and implement fees for banners, road closures, event special requests
7.3 Use grantwriter (see 2.8) to find and write grants that benefit the City of Lockhart and its residents
7.4 Conduct discussions between City Council and Staff regarding which items can/should be funded by certificates of obligation vs. bonds
7.5 Update/increase construction permit fees and impact fees
7.6 Explore a bond vote for the items proposed by Parks & Rec and Council from Goal #3
7.7 Explore the concept of a Community Foundation with community benefactor options including other communities who have successfully created and implemented a Community Foundation

City of Lockhart Leadership

The 2022 City Council and Management Team participating:

City Council:

Lew White, Mayor
Angie Gonzales-Sanchez, Mayor Pro-Tem
Brad Westmoreland, Councilmember At-Large
Juan Mendoza, Councilmember District 1
David Bryant, Councilmember District 2
Kara McGregor, Councilmember District 3
Jeffry Michelson, Councilmember District 4

Management Team:

Steve Lewis, City Manager
Julie Bowermon, Director of Human Resources
Connie Constancio, City Secretary
Travis Hughes, Director of Parks & Recreation
Randy Jenkins, Fire Chief
Mike Kamerlander, Economic Development Director
Sean Kelley, Public Works Director
Pam Larison, Director of Finance
Bobby Leos, Electric Superintendent
Victoria Maranan, Public Information Officer
Bertha Martinez, Director of Library Services
Ernest Pedraza, Chief of Police

Facilitated by Opportunity Strategies LLC

Lockhart
TEXAS

City of Lockhart

2020-2021 Strategic Priorities

Prepared by:

Opportunity Strategies LLC