

City of Starbase
Notice of City Commission Special Meeting
48491 State Highway 4
Starbase, TX 78521
May 28, 2026
7:00 PM

NOTICE OF CHANGE IN MEETING LOCATION

48491 State Highway 4, Starbase, TX 78521

Pursuant to Section 551.127, Texas Government Code, one member of the City Commission may attend this meeting remotely using videoconferencing technology. A quorum of the Commission will be physically present at the location provided above.

Public Comment Policy:

Pursuant to Texas Government Code 551.007, citizens wishing to address the Commission may do so during the listed public comment sessions. A person who addresses the Commission, including during a public hearing, must limit his/her remarks to the agenda items only. Citizens wishing to address the Commission on items requiring a public hearing shall address the Commission during the public hearing. The public comment sessions are reserved for items on the agenda that do not have a public hearing.

Citizens wishing to speak during Public Comment or Public Hearing must first complete a speaker card and submit it to the City Clerk five minutes before the beginning of the meeting. Once recognized by the Mayor, please step forward to the speaker's podium, state your name and address and speak directly into the microphone. No discussion or action may be taken by the Commission at this meeting on any item not listed on the agenda, other than to make statements of factual information or recite existing policy in response to a citizen's inquiry.

Time limits:

- *Public comment period: citizen comments are limited to two (2) minutes per individual per public comment period.*
- *Public hearing: citizen comments are limited to three (3) minutes per individual per public hearing.*

- *Mayor's discretion: if ten (10) or more speakers sign up to speak per public hearing, the Mayor may reduce the time allotted to each speaker to no less than one minute per speaker.*
- *Translator: members of the public requiring the use of a translator shall be given twice the amount of time to speak than speakers who do not require the assistance of a translator.*
- *Time limits do not apply to the Commission, City staff, or guests invited by the Commission to provide input on an agenda item.*

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In Process

City of Starbase
City Commission Special Meeting Agenda
May 28, 2026
7:00 PM

A. Call to Order and Quorum Determination

B. Pledge of Allegiance

C. Public Comment on All Agenda Items - comments limited to two minutes per individual, as set forth above.

D. Swearing-in Ceremony

1. Discussion and action on delivering Certificates of Election, administering Statements of Officers, and Oaths of Office to unopposed, duly elected officials for the Mayor and two City Commissioners.
2. Discussion and action to appoint a Mayor Pro Tem to serve a one-year term.

E. Consent Agenda

1. Action regarding the minutes of the April 20, 2026 City Commission meeting.
2. Discussion and action on a resolution designating the time and place for City Commission meetings; designating new temporary city hall; designating new locations of the City bulletin boards for the posting of City Commission meeting notices; providing for such notices to be posted on the City's website; repealing Resolution No. 2025-10-15-D04-RE and Resolution No. 2025-05-30-F03-RE; and providing an effective date.
3. Discussion and action on a resolution adopting a City holiday schedule for the period of June 1, 2026 through May 31, 2027.
4. Approval of a contract with Mark 43 for law enforcement records management and related services.
5. Discussion and action to approve the bylaws for the Starbase Economic Development Corporation.
6. Discussion and action to approve engagement with Spencer Fane for the Economic Development Corporation as legal counsel.
7. Discussion and action to approve an agreement with Zac Tax for financial services to the City of Starbase.

F. Regular Session

1. Conduct a **public hearing**¹ on a request for an amendment to the Official Zoning Map by changing the district boundary (comments limited to three (3) minutes per individual).
2. Discussion and action to appoint a City Attorney.

G. Executive Session: In accordance with the Texas Government Code, Chapter 551, the City Commission will recess into Executive Session (closed meeting) to discuss the following:

1. **Section 551.074(a)(1):** Deliberation regarding the appointment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, regarding: City Attorney

H. Reconvene into Open Session: In accordance with Texas Government Code, Chapter 551, the City Commission will reconvene into Regular Session to consider and take appropriate action, if any, regarding any items discussed in Executive Session.

I. Regular Session

In Process

1. Discussion and action on an agreement with Spencer Fane, LLC to provide City Attorney services and authorize the Mayor to execute a waiver.
2. Discussion and action on approving the Economic Development Committee contracting with Max Levin as Executive Director and authorizing the City Administrator to enter into a contract with the EDC to determine contract details.
3. Discussion and action on depository services RFP applicants and awarding the contract.
4. Discussion and action awarding the beach cleaning contract to the successful RFP applicant.
5. Discussion and action to appoint a new member to the City of Starbase Advisory Committee.
6. Discussion and action on a resolution of the City Commission of the City of Starbase, Texas, approving participation in the Local Government Investment Cooperative (LOGIC); authorizing the execution of the Application for Participation

¹ Comments are limited to three minutes per individual, as set forth above.

and related documents; designating authorized representatives; and providing an effective date.

7. Discussion and action on a resolution authorizing participation in the Texas Short Term Asset Reserve Program (“TexSTAR”); approving the application for participation in the Cash Reserve Fund; designating authorized representatives; and providing an effective date.
8. Discussion and action on a petition from SpaceX for an ordinance to abandon and vacate of portions of public streets in the City of Starbase.

J. Commission/City Administrator Comments

1. Items of Community Interest: Pursuant To Texas Government Code Section 551.0415 The Mayor, Commission And City Administrator May Report On The Following Items: (1) Expression Of Thanks, Congratulations Or Condolences; (2) Information Regarding Holiday Schedules; (3) Recognition Of Individuals; (4) Reminders About Upcoming City Commission Events; (5) Information Regarding Community Events; (6) Announcements Involving Imminent Threat To Public Health And Safety.
2. City Administrator’s Report
 - a. Financial statement report April 2026
 - b. Building permit report for April 2026
 - c. Update on Police Department
 - d. Boca Chica Beach Update
 - e. 2027 Budget Calendar
3. Future agenda item requests – no discussion or action may be taken by the Commission on future agenda item requests.

K. Adjourn

NOTE: *The City Commission reserves the right to meet in executive session closed to the public at any time during the course of this meeting to discuss matters listed on the agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Chapter 551, including § 551.071 (private consultation with the attorney for the city); § 551.072 (discussing purchase, exchange, lease or value of real property); § 551.073 - (deliberation regarding prospective gift); § 551.074 (discussing personnel or to hear complaints against*

personnel); § 551.076 (deliberation regarding security devices or security audit); § 551.087 (discussing economic development negotiations); § 551.089 (deliberation regarding security devices or security audits, and/or other matters as authorized under the Texas Government Code). Any decision on such matters will be taken or conducted in open session following the conclusion of the executive session.

Requests for accommodation or interpretive services must be made 48 hours prior to this meeting. Please contact the City Clerk's office.

I, City Clerk Gretchen Norton, certify that this notice of meeting and agenda of items were posted on the official bulletin board of the City of Starbase, Texas and on the City's website at <https://starbase.texas.com/> in accordance with Chapter 551, Texas Government Code at least 3 business days prior to the start of the meeting, and shall remain posted until the meeting is adjourned.

Gretchen Norton, City Clerk

In Process

Date: _____

STARBASE

X

CITY COMMISSION AGENDA MEMO

TO: Mayor and City Commission

FROM: City Clerk

MEETING DATE: May 28, 2026

ITEM: Discussion and action on administering Oaths of Office, Statements of Officers and delivering Certificates of Election to unopposed, duly elected officials for the Mayor and two City Commissioners.

SUMMARY

- At the January 8, 2026 City Commission Meeting, the City Commission called for the 2026 General Election to be held on May 2, 2026 for the Mayor and two City Commissioners.
- The deadline for filing applications for a place on the ballot and declarations of write-in candidacy for the City's election expired on February 13 and February 17, 2026 respectively and each candidate was determined unopposed.
- On March 18, 2026, pursuant to Section 2.051, et.seq., of the Texas Election Code, the City Council adopted an ordinance dispensing of the necessity of holding the election and declared the following individuals as duly elected to the following places on the Starbase City Commission: Robert Peden, Mayor; Jordan Buss, Commissioner; Lois Wallace, Commissioner

BACKGROUND

At the January 8, 2026 City Commission Meeting, the City Commission called for the 2026 General Election to be held on May 2, 2026 for the Mayor and two City Commissioners. The deadline for filing applications for a place on the ballot and declarations of Write-in candidacy for the City's election expired on February 13 and February 17, 2026 respectively, and each candidate was determined unopposed. The City Clerk certified in writing to the City

Council that the candidates were unopposed and delivered Certificates of Unopposed Candidates on May 18, 2026.

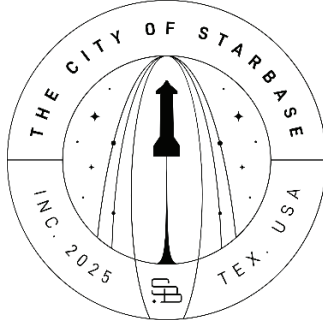
On March 18, 2026, pursuant to section 2.051, et.seq., of the Texas Election Code, the City Commission adopted an ordinance dispensing of the necessity of holding the election and declared the following individuals as duly elected to the following places on the Starbase City Commission: Robert Peden, Mayor; Jordan Buss, Commissioner; Lois Wallace, Commissioner

STAFF RECOMMENDATION Staff recommends administering Oath of Office, Statements of Officers and delivery of Certificates of Election

MOTION: “I move to approve administering of the Oaths of Office, Statements of Officers and delivery of the Certificates of Election.”

ATTACHMENTS

- Certificate of Election Bobby Peden
- Certificate of Election Jordan Buss
- Certificate of Election Lois Wallace
- Statement of Officers
- Oath of Office



**In the name and by the authority of
THE STATE OF TEXAS**

**THIS IS TO CERTIFY, that following the
May 2, 2026, General Election**

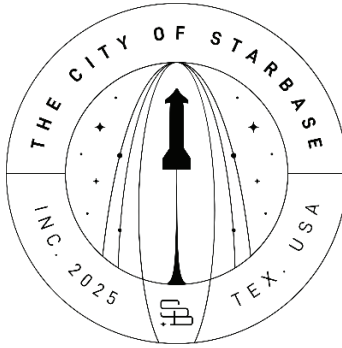
Jordan Buss

was duly elected as **City Commissioner**
pursuant to the Order issued on March 18,
2026, canceling the May 2, 2026 election due
to each candidate being unopposed.

In testimony whereof, I have hereunto
signed my name and caused the Seal of
the City of Starbase to be affixed this
28th day of May 2026.

Mayor Bobby Peden

[seal]



**In the name and by the authority of
THE STATE OF TEXAS**

**THIS IS TO CERTIFY, that following the
May 2, 2026, General Election**

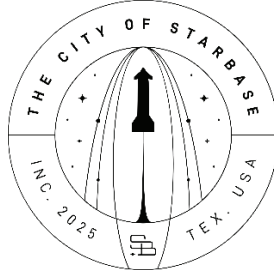
Lois Wallace

was duly elected as **City Commissioner**
pursuant to the Order issued on March 18,
2026, canceling the May 2, 2026 election due
to each candidate being unopposed.

In testimony whereof, I have hereunto
signed my name and caused the Seal of
the City of Starbase to be affixed this 28th
day of May 2026.

Mayor Bobby Peden

[seal]



**In the name and by the authority of
THE STATE OF TEXAS**

**THIS IS TO CERTIFY, that following the
May 2, 2026, General Election**

Bobby Peden

was duly elected as **Mayor**
pursuant to the Order issued on March 18,
2026, canceling the May 2, 2026 election due
to each candidate being unopposed.

In testimony whereof, I have hereunto
signed my name and caused the Seal of
the City of Starbase to be affixed this 28th
day of May 2026.

Mayor Bobby Peden

[seal]

S T A R B A S E



Oath of Office

“I, Bobby Peden, do solemnly swear (or affirm), that I will faithfully execute the duties of the office of Commissioner of the City of Starbase, State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God.”

Bobby Peden

State of Texas
County of Cameron

SUBSCRIBED AND SWORN TO BEFORE ME on this 28th day of May, 2026, to certify which witness my hand and seal of office.

Gretchen Norton, City Clerk

S T A R B A S E



Statement of Officer

“I, Bobby Peden, do solemnly swear (or affirm) that I have not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money or thing of value, or promised any public office or employment for the giving or withholding of a vote at the election at which I was elected or as a reward to secure my appointment or confirmation, whichever the case may be, so help me God.”

Under penalties of perjury, I declare that I have read the foregoing statement and that the facts stated therein are true.

In Process

Bobby Peden, Mayor

Date: _____

S T A R B A S E



Oath of Office

“I, Jordan Buss, do solemnly swear (or affirm), that I will faithfully execute the duties of the office of Commissioner of the City of Starbase, State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God.”

Jordan Buss

State of Texas
County of Cameron

SUBSCRIBED AND SWORN TO BEFORE ME on this 28th day of May, 2026, to certify which witness my hand and seal of office.

Gretchen Norton, City Clerk

S T A R B A S E

Statement of Officer

“I, Jordan Buss, do solemnly swear (or affirm) that I have not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money or thing of value, or promised any public office or employment for the giving or withholding of a vote at the election at which I was elected or as a reward to secure my appointment or confirmation, whichever the case may be, so help me God.”

Under penalties of perjury, I declare that I have read the foregoing statement and that the facts stated therein are true.

In Process

Jordan Buss, Commissioner

Date: _____

S T A R B A S E



Oath of Office

“I, Lois Wallace, do solemnly swear (or affirm), that I will faithfully execute the duties of the office of Commissioner of the City of Starbase, State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God.”

Lois Wallace

State of Texas
County of Cameron

SUBSCRIBED AND SWORN TO BEFORE ME on this _____ day of _____, 2026, to certify which witness my hand and seal of office.

Gretchen Norton, City Clerk

S T A R B A S E

Statement of Officer

“I, Lois Wallace, do solemnly swear (or affirm) that I have not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money or thing of value, or promised any public office or employment for the giving or withholding of a vote at the election at which I was elected or as a reward to secure my appointment or confirmation, whichever the case may be, so help me God.”

Under penalties of perjury, I declare that I have read the foregoing statement and that the facts stated therein are true.

In Process

Lois Wallace, Commissioner

Date: _____

S T A R B A S E

X

CITY COMMISSION AGENDA MEMO

TO: Mayor and City Commission

FROM: City Clerk

MEETING DATE: May 28, 2026

ITEM: D.2

SUMMARY The City Commission is requested to consider and approve Resolution 2026-14 appointing a member of the City Commission to serve as Mayor Pro Tempore and designating the Mayor Pro Tem as emergency interim successor.

BACKGROUND Pursuant to Ordinance No. 2026-12, passed and approved by the City Commission in March 2026, Bobby Peden was duly declared elected to the office of Mayor, and Jordan Buss and Lois Wallace were duly declared elected to the office of City Commissioner. The City Commission seeks to elect a member of the Commission to serve as Mayor Pro Tempore for a term of one year or until another is appointed. In the event the Mayor fails, is unable, or refuses to act, the Mayor Pro Tem shall perform the Mayor’s duties and is entitled to receive any fees and compensation. The City Commission also seeks to designate the Mayor Pro Tem as the emergency interim successor as defined in Texas Government Code § 616.021 et seq.

STAFF RECOMMENDATIONS It is recommended that Resolution 2026-14 be approved as presented, appointing _____ to serve as Mayor Pro Tem.

MOTION: “I move to approve Resolution 2026-14 appointing _____ to serve as Mayor Pro Tempore for a term of one year or until another is appointed, and designating the Mayor Pro Tem as the emergency interim successor.”

ATTACHMENTS

- Resolution 2026-14 Mayor Pro Tempore

CITY OF STARBASE, TEXAS

RESOLUTION 2026-14

**A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS
APPOINTING A MEMBER OF THE CITY COMMISSION TO SERVE AS MAYOR PRO
TEMPORE AND DESIGNATION OF EMERGENCY INTERIM SUCCESSOR; PROVIDING
FOR RELATED MATTERS; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, pursuant to Ordinance No. 2026-12, passed and approved by the City Commission of the City of Starbase, Texas in March 2026, the candidates for Mayor and City Commissioner were declared elected without opposition, and the General Election scheduled for May 2, 2026 was canceled; and

WHEREAS, as a result of said Ordinance, Bobby Peden was duly declared elected to the office of Mayor, and Jordan Buss and Lois Wallace were duly declared elected to the office of City Commissioner, thereby establishing the current governing body of the City of Starbase, Texas; and

WHEREAS, the City Commission seeks to elect a member of the Commission to serve as Mayor Pro Tempore (“Mayor Pro Tem”) for a term of one year or until another is appointed; and

WHEREAS, if the Mayor fails, is unable, or refuses to act, the Mayor Pro Tem shall perform the Mayor’s duties and is entitled to receive any fees and compensation; and

WHEREAS, the City Commission may enact a resolution providing for designation of emergency interim successors to local officers and the City Commission seeks to designate the Mayor Pro Tem as emergency interim successor as defined in Texas Government Code § 616.021 et seq if the Mayor fails, is unable, or refuses to act.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS:

SECTION 1. Recitals. The City Commission finds all the above recitals to be true and correct and incorporates the same in this Resolution as findings of fact.

SECTION 2. The City Commission hereby appoints _____ to serve as Mayor Pro Tem for a term of one year or until another is appointed, and in the event that the Mayor fails, is unable, or refuses to act, the Mayor Pro Tem shall perform the Mayor’s duties and is entitled to receive any fees and compensation prescribed for the Mayor.

SECTION 3. The Mayor Pro Tem is the designated emergency interim successor as defined in Texas Government Code § 616.021 et set, if the Mayor fails, is unable, or refuses to act.

SECTION 4. This Resolution shall take effect immediately upon passage.

PASSED AND APPROVED this 28th day of May 2026.

CITY OF STARBASE, TEXAS

Bobby Peden, Mayor

ATTEST:

Gretchen Norton, City Clerk

APPROVED AS TO FORM:

In Process

City Attorney

S T A R B A S E

X

CITY COMMISSION AGENDA MEMO

CITY COMMISSION AGENDA MEMO

TO: Mayor and City Commission

FROM: City Administrator

MEETING DATE: May 28, 2026

ITEM: Consent Agenda

SUMMARY The City Commission is requested to approve the following routine items as part of the Consent Agenda.

BACKGROUND The Consent Agenda includes standard administrative and non-controversial matters that can be approved in a single motion unless a commissioner requests an item be pulled for individual discussion. The following items are presented for approval:

- Action regarding the minutes of the April 20, 2026 City Commission meeting.
- Discussion and action on a resolution designating the time and place for City Commission meetings; designating new temporary city hall; designating new locations of the City bulletin boards for the posting of City Commission meeting notices; providing for such notices to be posted on the City's website; repealing Resolution No. 2025-10-15-D04-RE and Resolution No. 2025-05-30-F03-RE; and providing an effective date.
- Discussion and action on a resolution adopting a City holiday schedule for the period of June 1, 2026 through May 31, 2027.
- Approval of a contract with Mark 43 for law enforcement records management and related services.
- Discussion and action to approve the bylaws for the Starbase Economic Development Corporation.

- Discussion and action to approve engagement with Spencer Fane for the Economic Development Corporation as legal counsel.
- Discussion and action to approve an agreement with Zac Tax for financial services to the City of Starbase.

STAFF RECOMMENDATIONS It is recommended that the Consent Agenda be approved as presented.

MOTION: “I move to approve the Consent Agenda as presented”

ATTACHMENTS

- Minutes of the April 20, 2026 City Commission Meeting
- Resolution designating the time and place for City Commission meetings, new temporary city hall, bulletin boards, website posting, and repealing prior resolutions (E2 Resolution for City Hall and Bulletin Boards vF)
- Resolution adopting City holiday schedule for June 1, 2026 – May 31, 2027 (E3 City Holiday Resolution 26-27 vF)
- Software License and Services Agreement with Mark43 (including Order Form and SOW) (E4)
- Bylaws of the Starbase Economic Development Corporation (approved 5.16.26) (E5)
- Spencer Fane Engagement Letter for Economic Development Corporation legal counsel (E6)
- ZacTax Financial Services Agreement (Contract No. 26-001) (E7)

City of Starbase
City Commission Special Meeting Minutes
Monday, April 20, 2026
City Hall – Starbase, Texas
Meeting Called to Order at 7:00 PM

Present

- Mayor Peden
- Commissioner Buss
- Commissioner Wallace

Quorum: Established

Other staff in attendance:

- Kent Myers, City Administrator
- Cayetana Polanco, Assistant City Administrator
- Gretchen Norton, City Clerk
- Marie Johnson, City Attorney (via Teams)
- Anthony Mills, TMRS (via Teams)

A. Call to Order and Quorum Determination Mayor Peden called the meeting to order at 7:00 PM and confirmed that a quorum was present.

B. The Pledge of Allegiance was recited.

C. Public Comment (Non-Public Hearing Agenda Items) Public comments were limited to two minutes per speaker on listed agenda items only. Mayor Peden reminded the public of the procedures: comments may only be made on listed agenda items; the Commission is prohibited from acting or discussing items during public comment. Rules for public comment are found at the beginning of the agenda and available on the City's website.

City Clerk Gretchen Norton noted two speakers signed up.

- **Anthony Gomez**, Starbase, TX – Spoke in support of the City and commended the City of Starbase and Cameron County for organizing a really great beach cleanup. He noted it was wonderful to see future leaders of the community, many council members, and residents participating, and expressed hope that such events happen more often. He described it as a really good community event and thanked the City.

• **David Avery** (also referred to as Dave Avery), Denver, CO (frequent visitor to the area) – Followed up on Anthony Gomez’s comments. He stated that beach cleanups are important and that people who complain about what has been happening at Boca Chica for the last five years obviously do not know what it was like beforehand. He noted that 90% of the trash comes up the Gulf and has nothing to do with the users of the beach. He expressed appreciation for everyone coming out to clean.

City Clerk Gretchen Norton confirmed that was the last speaker. Mayor Peden closed public comment.

D. The Commission recessed into Executive Session (Item D) at 7:04 PM in accordance with Texas Government Code §551.074 to discuss the appointment, employment, evaluation, reassignment of duties, discipline, or dismissal of public officers or employees, including job descriptions and salaries for the City Administrator, City Clerk/Data Governance and Project Manager Lead, Executive Director of the EDC, and Police Chief; and §551.071 for consultation with the City Attorney regarding the Attorney General ruling on Public Information Request No. 2025-135.

E. Mayor Peden reconvened the meeting into open session at 7:27 PM. As a matter of procedure, he noted that the Commission is now operating with paperless agenda packets. He acknowledged that there is a lot of information and asked for patience as the process becomes more efficient in the future. He requested that all staff and Commissioners close email and messaging services and remain fully present.

F. Consent Agenda The following items were considered together: a. Approval of City Commission meeting minutes for March 18, 2026. b. Implementation of the payroll company Paylocity. c. Approval of a resolution adopting the City investment policy (establishing prudent guidelines for safe and liquid investment of City funds in compliance with the Texas Public Funds Investment Act; modeled after best practices of other Texas cities, worked on closely with Hilltop Securities, and recommended by the City’s auditor; note on minor formatting error in PDF title). d. Approval of the consulting agreement with Clear Career for Kent Myers to provide temporary administrative advice, guidance, and support during the City’s transition to full-time staff. e. Final plat approval of the proposed Huddlestone subdivision (a 53.06-acre tract situated in Share 3, San Martin Grant, Jose Ygnacio de Trevino Survey, Starbase, Cameron County, Texas; met all engineer requirements).

Assistant City Administrator Cayetana Polanco presented the Consent Agenda and recommended approval as presented.

Motion: Commissioner Wallace moved to approve the Consent Agenda as presented.

Second: Commissioner Buss

Vote: For: 3 Against: 0 **Motion carried unanimously.**

H. Regular Session

1. Discussion and Action on Appointing City Administrator City Administrator Kent Myers provided a detailed presentation. He reflected on the past 11 months since the City's incorporation in May 2025, noting the solid foundation built through key ordinances, policies, procedures, and a strong team of Commissioners, SpaceX officials on the advisory committee, and contract employees. He thanked the Commissioners for hiring him as the first City Administrator and for their trust and support. He expressed appreciation for the Commission's and SpaceX's dedication to the mission of exploring space and eventually reaching Mars, acknowledging the hard work and long hours of the Commissioners and their families. He announced his intention to step down but noted he would continue providing support on a consulting basis as just approved in the Consent Agenda. He cited personal reasons (more time with his five grandchildren) and the need for a locally based administrator to handle new programs including the Police Department, annexation efforts, the community library, beach cleanups, and increased resident engagement. He highlighted Cayetana Polanco's rapid learning, contributions to efficiencies, and readiness to take on the role. He recommended approval of Cayetana Polanco as the new City Administrator.

Mayor Peden thanked Kent Myers for his kind words. Commissioners Wallace and Buss expressed gratitude to Kent Myers for his leadership and excitement about continuing to work with Cayetana Polanco.

Motion: Commissioner Buss moved to approve Cayetana Polanco as the City Administrator, effective April 21, 2026. **Second:** Commissioner Wallace

Vote: For: 3 Against: 0 **Motion carried unanimously.** Mayor Peden welcomed Cayetana Polanco aboard.

2. Discussion and Action on Converting Designated Contract Positions to Full-Time City Employees Assistant City Administrator Cayetana Polanco presented the resolution adopting a market-based pay schedule for key positions and converting designated contract positions to permanent full-time City employee status. This milestone supports building a stable, professional, sustainable municipal workforce as the City transitions

from temporary consulting arrangements. Attachments included the resolution and job descriptions for the City Administrator, City Clerk, Data Governance/Project Manager Lead, and EDC Executive Director. She introduced Keila Tuttle, the recommended data governance and project manager.

Motion: Commissioner Wallace moved to approve Resolution #2026-13 adopting the pay schedule for City employees and converting designated contract positions to full-time City employee status and to approve the job descriptions as presented.

Second: Commissioner Buss

Vote: For: 3 Against: 0 **Motion carried unanimously.**

3. Discussion and Action Regarding the Attorney General Ruling on Public Information Request Number 2025-135 Assistant City Administrator Cayetana Polanco explained that the City received the formal ruling from the Office of the Attorney General concerning Public Information Request 2025-135 under the Texas Public Information Act (Chapter 552, Texas Government Code). The item was placed on the agenda following discussion in Executive Session so the Commission could review the ruling and determine the appropriate course of action.

Motion: Commissioner Buss moved to authorize the lawsuit against the Attorney General for Letter Ruling OR 2026-011030 for Public Information Request 2025-135 received by the City of Starbase.

Second: Commissioner Wallace

Vote: For: 3 Against: 0 **Motion carried unanimously.**

4. Discussion and Action to Approve a Resolution Establishing City Personnel Policies by Adopting the City of Starbase Employee Policy Manual Assistant City Administrator Cayetana Polanco presented the comprehensive employee policy manual, developed following best practices for other municipalities. It will work in tandem with the law enforcement policy manual and is instrumental for payroll and benefits processing. She noted it had undergone legal review. Mayor Peden and staff discussed the document as a living document that will evolve with the City's transition to full-time employees; some policies will stand the test of time while others may be adjusted. City Administrator Kent Myers confirmed legal review.

Motion: Commissioner Wallace moved to approve Resolution 2026-11 establishing City personnel policies by adopting the City of Starbase Employee Policy Manual as the official

City personnel policies and authorizing the City Administrator to implement, review, and enforce the policies contained therein.

Second: Commissioner Buss

Vote: For: 3 Against: 0 **Motion carried unanimously.**

5. Ordinance for City of Starbase Participation in the Texas Municipal Retirement System (TMRS) and Its Supplemental Death Benefits Fund Assistant City Administrator Cayetana Polanco explained that, as the City transitions contract positions to full-time employees, it is necessary to provide standard retirement benefits. The ordinance allows the City to join TMRS, sets employee contribution rates, authorizes actuarially determined City contributions, and includes participation in the Supplemental Death Benefits Fund. TMRS is the retirement plan standard for Texas cities; the City selected a competitive 2:1 match plan.

Anthony Mills, TMRS representative (on the call), addressed the Commission on behalf of the TMRS Board of Trustees and staff. He stated that, if adopted, the City would become TMRS's 946th participating city and begin participation on June 1, 2026. He described TMRS as the "gold star" of retirement plans in Texas, the plan most peer cities participate in and one that non-participating cities seek to emulate.

Motion: Commissioner Buss moved to approve Ordinance 2026-14 providing for the City's participation in the Texas Municipal Retirement System and its Supplemental Death Benefits Fund as presented.

Second: Commissioner Wallace

Vote: For: 3 Against: 0 **Motion carried unanimously.**

6. Discussion and Action on a Library Services Agreement Assistant City Administrator Cayetana Polanco presented the library services agreement with the Starbase Community Library (an independent nonprofit). The agreement establishes a clear partnership while preserving the library's autonomy. The library will provide public library services including physical access, on-site material use, reference services, and programs, and will make good-faith efforts to achieve and maintain TSLAC accreditation. The City will pay an annual service fee of \$160,000 (for the initial partial fiscal year up to September 30, paid in two installments of \$80,000 each; recurring annual amount to be renegotiated during budget process). The library retains ownership of its collection, may seek supplemental donations and grants, and will provide annual and monthly financial reports. Initial term is five years with automatic one-year renewals; terminable by either party with 120 days' written notice.

She noted this community-led project builds on the February special meeting presentation and is a milestone for the City.

Mayor Peden recognized the significant volunteer hours invested and stated that the project will generate more work but provide outsized community benefit.

Motion: Commissioner Wallace moved to approve the library services agreement between the City of Starbase and the Starbase Community Library as presented and to authorize the Mayor to execute the agreement on behalf of the City.

Second: Commissioner Buss

Vote: For: 3 Against: 0 **Motion carried unanimously.**

7. Ordinance Amending the Fiscal Year 2025-2026 Budget to Appropriate Funds for the Nonprofit Starbase Community Library

Assistant City Administrator Cayetana Polanco explained that this ordinance transfers \$160,000 from the law enforcement contract budget line item in the General Fund to contractual services – library services to fund the agreement. The reallocation is feasible because police startup occurred later than originally anticipated.

Mayor Peden noted that the funds were originally earmarked for community benefit and the library is a community benefit.

Motion: Commissioner Buss moved to approve Ordinance #2026-15 amending the Fiscal Year 2025-2026 budget by decreasing the law enforcement contract budget line item by \$160,000 and increasing the General Fund’s contractual services – library services by \$160,000 for payment to the Starbase Community Library.

Second: Commissioner Wallace

Vote: For: 3 Against: 0 **Motion carried unanimously.**

8. Discussion and Action on a Resolution Approving the Creation of a Type B Economic Development Corporation

Assistant City Administrator Cayetana Polanco, supported by City Administrator Kent Myers, presented the resolution. Under Texas Local Government Code Chapters 501, 502, and 505, the City may create a Type B EDC as a separate nonprofit entity to carry out economic development projects, including issuing bonds for industrial facilities, business recruitment, job creation, and infrastructure. The structure provides low-cost financing tools while maintaining separation from City operations. The City received a written application from three qualified voters. The resolution authorizes the organizers to proceed and approves the certificate of formation. Kent Myers added that the EDC will not create a significant cost burden on the City (legal and administrative costs

can be financed through future bond issuance; temporary costs estimated at 10-12 months until bonds are issued). Mayor Peden and staff discussed how the EDC will generate additional revenue streams beyond property taxes and support overall economic growth.

Motion: Commissioner Wallace moved to approve Resolution #2026-12 authorizing the creation of the Starbase Economic Development Corporation, a Type B Economic Development Corporation, and approving the proposed certificate of formation.

Second: Commissioner Buss

Vote: For: 3 Against: 0 **Motion carried unanimously.**

I. Commission/City Administrator Comments

1. Items of Community Interest (Texas Government Code §551.0415) Mayor Peden reported: • Thanks to Mr. Kent Myers for his extraordinary work getting the City off the ground; the Commission could not have done it without him. • Special thanks to the Starbase Community Library Committee for their volunteer hours—this is a major milestone for the entire community. • Brief update on the recent beach cleanup: over 585 volunteers (likely an undercount of those who signed in; significant increase from approximately 380 last year); 5,740 pounds of trash delivered to the landfill (significant increase from 1,500 pounds last year). He highlighted the strong collaboration among the City of Starbase, SpaceX, the General Land Office Adopt-a-Beach program, and Cameron County, and noted many residents, SpaceX employees, local businesses, and schools participated.

Commissioner Wallace expressed that the community's hearts and prayers are with a local family whose child recently faced a medical emergency and thanked the Starbase Medical team for their support.

No other reports were made.

2. City Administrator Report Assistant City Administrator Cayetana Polanco (with input from City Administrator Kent Myers and City Clerk Gretchen Norton) provided updates on the following:

• **Financial Statements (March 2026)** – Tracking well overall; two note repayments coming due in June (\$1.5 million) and September (approximately \$1 million), after which the fund balance will stabilize positively by fiscal year-end.

- **Building Permit Report** – Changes coming to provide fuller picture of permit activity and processing times in coordination with SafeBuilt.

- **Mid-Year Budget Update** – Highlighted three new major expense areas not in the original budget (legal fees projected at \$561,000 vs. budgeted \$276,000; beach maintenance; library services; EDC at approximately \$120,000). Beach maintenance allocation will support at least two cleanings per month (RFQ required as costs exceed \$100,000 per purchasing policy). Police Department startup funds provide a reallocation buffer. Comprehensive budget development for the next fiscal year begins in May; formal budget amendment later in the year. Mayor Peden noted the notes were the only initial funding mechanism available and represent a one-time transition item.

- **Police Department Update** – Hiring for Police Chief remains a top priority (three qualified candidates scheduled for third-stage interviews; possible special City Commission meeting in early May including a meet-the-residents event). Facilities are built out; RMS software agreement in process; police vehicles progressing; uniform demos upcoming. On track for full readiness and TCOLE accreditation by June or July.

- **GLO and Beach Maintenance** – Erosion mitigation project progressing (formal agreement and Halff scope nearing completion; site visit with GLO staff scheduled). Beach entrance improvements planned to address soft sand and parking/safety issues in coordination with GLO, Cameron County, TxDOT, and Halff engineers. Bimonthly beach cleanings coordinated with Turtle, Inc., GLO, and the County to maintain the beach following volunteer events.

City Clerk Gretchen Norton provided the election update: the May 2, 2026 general election was canceled as only the three incumbents filed; canvassing and swearing-in scheduled for May 5–13, 2026 timeframe. The City will host Cameron County elections in the building May 18–22, 2026, and likely future elections.

Municipal Court update: still seeking a municipal judge; focus will shift there once the Police Chief is hired. Mayor Peden noted the importance of having both a Police Department and Court.

3. Future Agenda Item Requests No future agenda items were requested.

J. Adjournment Motion: Mayor Peden moved to adjourn.

Second: Commissioner Buss

Vote: For: 3 Against: 0 **Motion carried unanimously.**

Meeting adjourned at 8:16 PM.

Approved by the City Commission on this ____ day of May, 2026.

APPROVED:

Signed by: Bobby Peden, Mayor

ATTEST:

Signed by: Gretchen Norton, City Clerk

CITY OF STARBASE, TEXAS

RESOLUTION NO. 2026-15

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS DESIGNATING THE TIME AND PLACE FOR CITY COMMISSION MEETINGS; DESIGNATING NEW TEMPORARY CITY HALL; DESIGNATING NEW LOCATIONS OF THE CITY BULLETIN BOARDS FOR THE POSTING OF CITY COMMISSION MEETING NOTICES; PROVIDING FOR SUCH NOTICES TO BE POSTED ON THE CITY'S WEBSITE; REPEALING RESOLUTION NO. 2025-10-15-D04-RE AND RESOLUTION NO. 2025-05-30-F03-RE; PROVIDING FOR SEVERABILITY AND REPEALER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Starbase, Texas (the "City") is a Type C General Law municipality, and is subject to the laws of the State of Texas as they apply to general law municipalities; and

WHEREAS, Texas Local Government Code Section 22.038(a) requires the City to adopt a resolution determining the time and place of its regular meetings; and

WHEREAS, on May 30, 2025, the City Commission adopted Resolution No. 2025-05-30-F03-RE designating a temporary city hall at 39046 L B J Boulevard, Brownsville, TX 78521 and determining the time and place of regular City Commission meetings; and

WHEREAS, on October 15, 2025, the City Commission adopted Resolution No. 2025-10-15-D04-RE designating the City bulletin boards for the posting of City Commission meeting notices in accordance with the Texas Open Meetings Act; and

WHEREAS, the City Commission desires to relocate the temporary city hall to 48491 State Highway 4, Starbase, Texas 78521, designate this location as its city hall and continue holding regular meetings on the third Wednesday of every month at 7:00 p.m. at this new location, or the location set forth in the City Commission meeting agenda; and

WHEREAS, the City Commission desires to designate its City bulletin boards that are readily accessible to the general public at the new city hall for the physical posting of City Commission meeting notices and provide for such notices to be posted on the City's website; and

WHEREAS, the City Commission finds it necessary to repeal Resolution No. 2025-10-15-D04-RE and Resolution No. 2025-05-30-F03-RE in their entirety and replace them with this updated and combined resolution that reflects the current temporary city hall address and bulletin board locations.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS:

SECTION 1. Recitals. The City Commission finds all the above recitals to be true and correct and incorporates the same in this Resolution as findings of fact.

SECTION 2. Repeal of Prior Resolutions. Resolution No. 2025-10-15-D04-RE and Resolution No. 2025-05-30-F03-RE are hereby repealed in their entirety.

SECTION 3. Regular City Commission Meetings. The City Commission determines that it shall conduct its regular City Commission meetings at 48491 State Highway 4, Starbase, Texas 78521 on the third Wednesday of every month at 7:00 p.m. The City Commission reserves the right to move the meeting location at any time and shall post the location of all public meetings on the meeting agendas in accordance with the Texas Open Meetings Act.

SECTION 4. Temporary City Hall. The City Commission hereby designates 48491 State Highway 4, Starbase, Texas 78521 as its temporary city hall.

SECTION 5. City Bulletin Boards. In accordance with the Texas Open Meetings Act, the City Commission hereby designates the following bulletin board locations that are readily accessible to the general public for the physical postings of City Commission meeting notices:

- a. Inside the temporary city hall located at 48491 State Highway 4, Starbase, Texas 78521; and
- b. Outside the temporary city hall property inside a locked display case located at 48491 State Highway 4, Starbase, Texas 78521.

SECTION 6. Posting of Commission Meeting Notices on City Website. The City Clerk shall post all City Commission meeting notices in accordance with the Texas Open Meetings Act on the City's website at www.starbase.texas.gov.

SECTION 7. Severability and Repealer. If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held to be unconstitutional or illegal, such decision shall not affect the validity of the remaining sections of this Resolution. The City Commission hereby declares that it would have passed this Resolution, and each section, subsection, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, clauses, or phrases be declared unconstitutional or illegal. This Resolution shall be cumulative of all provisions of all resolutions of the City of Starbase, as amended, and shall not repeal any of the provisions of such resolutions, except in those instances where provisions of such resolutions are in direct conflict with the provisions of this Resolution.

SECTION 7. Public Meeting. It is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given, all as required by Section 551.041, Texas Government Code.

SECTION 8. Enrollment and Engrossment. The City Clerk is hereby directed to enroll and engross this Resolution by reflecting the passage of this Resolution in the minutes of the City Commission and by filing this Resolution in the Resolution Records of the City.

SECTION 9. Effective Date. This Resolution shall take effect immediately upon its passage.

PASSED AND APPROVED by the City Commission of the City of Starbase, Texas on this 28th day of May, 2026.

CITY OF STARBASE, TEXAS

Bobby Peden, Mayor

ATTEST:

Gretchen Norton, City Clerk

APPROVED AS TO FORM:

_____, City Attorney

In Process

**CITY OF STARBASE, TEXAS
RESOLUTION NO. 2026-16**

A RESOLUTION OF THE CITY OF STARBASE, TEXAS ESTABLISHING OFFICIAL CITY OF STARBASE HOLIDAYS FOR THE PERIOD OF JUNE 1, 2026 TO MAY 31, 2027 AND PROVIDING FOR RELATED MATTERS; AND PROVIDING A EFFECTVE DATE.

WHEREAS, the City of Starbase, Texas (“City”) recognizes traditional annual holidays and city hall closures for all City operations as part of the City’s compensation plan and to provide opportunities for employees to share such holidays with their family and friends; and

WHEREAS, the City of Starbase, Texas has Twenty-one (21) paid holidays for all regular, full-time employees; and

WHEREAS, all City employees are paid for designated holidays at their regular rate of pay, regardless of number of hours in an employee’s workday.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS:

SECTION 1. Recitals. The City Commission finds all the above recitals to be true and correct and incorporates the same in this resolution as findings of fact.

SECTION 2. The City of Starbase, Texas official holidays for the period of June 1, 2026 to May 31, 2027, shall be as follows:

1. Juneteenth, Friday, June 19, 2026
2. Independence Day, Friday, July 3, 2026
3. Labor Day, Monday, September 7, 2026
4. Columbus Day, Monday, October 12, 2026
5. Veteran’s Day, Wednesday, November 11, 2026
6. Thanksgiving
 - Monday, November 23, 2026
 - Tuesday, November 24, 2026
 - Wednesday, November 25, 2026
 - Thursday, November 26, 2026
 - Friday, November 27, 2026
7. Christmas
 - Monday, December 21, 2026
 - Tuesday, December 22, 2026
 - Wednesday, December 23, 2026
 - Thursday, December 24, 2026
 - Friday, December 25, 2026
8. New Year’s Day, Friday, January 1, 2027

9. Martin Luther King Jr. Day, Monday, January 18, 2027
10. President's Day, Monday, February 15, 2027
11. Texas Independence Day, Tuesday, March 2, 2027
12. Good Friday, March 26, 2027
13. Starbase Day, Friday, May 28, 2027
14. Memorial Day, Monday, May 31, 2027

SECTION 3. Severability. It is hereby declared to be the intention of the City Commission that the sections, paragraphs, sentences, clauses and phrases of this Resolution are severable, and if any phrase, clause, sentence, paragraph or section of this Resolution shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Resolution, since the same would have been enacted by the City Commission without the incorporation in this Resolution of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 4. Repealer. This Resolution shall be cumulative of all provisions of all resolutions of the City of Starbase, as amended, and shall not repeal any of the provisions of such resolutions, except in those instances where provisions of such resolutions are in direct conflict with the provisions of this Resolution.

SECTION 5. Engrossment/Enrollment. The City Clerk is hereby directed to enroll and engross this Resolution by reflecting the passage of this Resolution in the minutes of the City Commission and by filing this Resolution in the Resolution Records of the City.

SECTION 6. This Resolution shall take effect immediately upon passage.

PASSED AND APPROVED this 28th day of May 2026.

CITY OF STARBASE, TEXAS

Bobby Peden, Mayor

ATTEST:

Gretchen Norton, City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

_____, City Attorney

In Process

SOFTWARE LICENSE AND SERVICES AGREEMENT

This Software License and Services Agreement (this “**Agreement**”) is effective as of May 1, 2026 (the “**Effective Date**”) by and between Mark43, Inc. (“**Mark43**”), with a place of business at 8 West 40th Street, 2nd Floor, New York, NY 10018, and Starbase, Texas (“**Subscriber**”), with a place of business at 39046 LBJ Blvd, Unit 2, Starbase, Texas 78521.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS.

- 1.1** “**Affiliate**” means, with respect to any entity, any other entity who, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract or otherwise.
- 1.2** “**Affiliated Agency**” means any government agency to which Subscriber is legally or contractually permitted to share certain Subscriber Data and/or access to an Application.
- 1.3** “**Applicable Law(s)**” means, with respect to any party, any foreign, federal, state or local law, including, without limitation, statutes, regulations, ordinances, and similar authorities, applicable to such party’s performance hereunder.
- 1.4** “**Applications**” means the object code versions of Mark43’s software applications for which Subscriber is purchasing subscriptions under an Order Form, as described in such Order Form, and all Updates made available by Mark43 to Subscriber under this Agreement.
- 1.5** “**Authorized Users**” means employees of Subscriber and any Affiliated Agency who are authorized to access and use the Applications on Subscriber’s behalf in accordance with the applicable security designation(s), pursuant to which full or limited access to the applicable Applications may be granted.
- 1.6** “**Documentation**” means the documentation regarding the functionality and use of the Applications made available to Subscriber by Mark43, including the technical requirements described at <https://mark43.com/tech-requirements>, which technical requirements may be updated from time to time upon reasonable advance written notice (email acceptable) to Subscriber.
- 1.7** “**Go Live**” means the date of cutover to each respective Mark43 Application.
- 1.8** “**Interface Software**” means the object code version of any interface software made available by Mark43 to Subscriber under this Agreement for download and installation in connection with Subscriber’s use of the Applications with its own systems.
- 1.9** “**Intellectual Property Rights**” means all intellectual and industrial property rights, whether now existing or existing in the future, including (a) all patent rights, including any rights in pending patent applications and any related rights; (b) all copyrights and other related rights throughout the world in works of authorship, including all registrations and applications therefor; (c) all trademarks, service marks, trade dress or other proprietary trade designations, including all registrations and applications thereof; (d) all rights throughout the world to proprietary know-how, trade secrets and other confidential information, whether arising by law or pursuant to any contractual obligation of non-disclosure; and (e) all other rights covering industrial or intellectual property recognized in any jurisdiction.
- 1.10** “**Mark43 Integrated Application**” means a third-party product, service, database, or application, other than Subscriber Integrated Applications, that is incorporated in, integrated with, accessed through, or used to host the SaaS Services.
- 1.11** “**Mark43 Integrated Application Data**” means all data, information, content and other materials provided or made available by a Mark43 Integrated Application.
- 1.12** “**Mark43 Materials**” means, collectively, the Website, Applications, SaaS Services, Updates, Documentation, Interface Software, Work Product, Mark43 Integrated Applications, and Mark43 Integrated Application Data.
- 1.13** “**Order Form**” means each Mark43 order form agreed to and executed by a duly authorized representative of each of Mark43 and Subscriber that references this Agreement and that identifies the Applications and/or Professional Services ordered by Subscriber and the fees to be paid by

Subscriber thereunder. An Order Form may include a Statement of Work. Each Order Form is incorporated into and subject to the terms of this Agreement.

- 1.14** “**Professional Services**” means any implementation, training, project management, consulting and other services (outside the scope of the Support Services) that are described in a Statement of Work.
- 1.15** “**SaaS Services**” means Mark43’s provision of the Applications to Subscriber on a software-as-a-service basis for remote access use by Subscriber and its Authorized Users.
- 1.16** “**Services**” means, collectively, the SaaS Services, Support Services, and any Professional Services.
- 1.17** “**Statement of Work**” means a written description of the Professional Services ordered by Subscriber that is agreed to and executed by a duly authorized representative of each of Mark43 and Subscriber and that references this Agreement. Each Statement of Work is incorporated into and subject to the terms of this Agreement.
- 1.18** “**Subscriber Data**” means (a) all data, information, content and other materials transmitted by Subscriber or any Authorized User to the Applications, (b) all Subscriber Integrated Application Data, and (c) all Subscriber-specific output resulting from Subscriber’s and its Authorized Users’ use of the Applications that is displayed to Subscriber on the Applications, excluding in all cases Third-Party Data, data owned, provided, or made available by Mark43, and data imported by Mark43 from third-party software at Subscriber’s request for data migration purposes.
- 1.19** “**Subscriber Integrated Application**” means a third-party product, service, database, or application set forth on an Order Form that will be installed, linked or enabled by or on behalf of Subscriber for use in connection with the SaaS Services (e.g. NCIC).
- 1.20** “**Subscriber Integrated Application Data**” means all data, information, content and other materials provided or made available by a Subscriber Integrated Application.
- 1.21** “**Subscriber Integrated Application Provider**” means the third party who provides or makes available the applicable Subscriber Integrated Application, which may include other vendors, Affiliated Agencies, state agencies and local agencies.
- 1.22** “**Support Services**” means the support services provided by or on behalf of Mark43 with respect to Subscriber’s use of the Applications and the service level agreement, as described at <https://mark43.com/support-services/>, which is incorporated herein by this reference, and which may be updated from time to time by Mark43, provided such updates do not materially degrade Mark43’s support offering.
- 1.23** “**Third-Party Data**” means any data, information, content and other materials made available by any third party, including Subscriber Integrated Application Data and Mark43 Integrated Application Data.
- 1.24** “**Updates**” means any and all new releases, new versions, modifications, enhancements, patches and other updates for the Applications that Mark43 makes generally available without additional charge to its other subscribers to such Applications.
- 1.25** “**Website**” means any internet website through which Mark43 provides the SaaS Services under this Agreement.
- 1.26** “**Work Product**” means all materials, software, tools, data, inventions, works of authorship and other innovations of any kind that Mark43, or personnel working for or through Mark43, may make, conceive, develop or reduce to practice, alone or jointly with others, in the course of performing Professional Services or as a result of such Professional Services, whether or not eligible for patent, copyright, trademark, trade secret or other legal protection, including any customizations or configurations to the Applications or Interface Software.

2. PROVISION OF THE SERVICES AND SOFTWARE.

- 2.1** **SaaS Services.** Subject to the terms of this Agreement, and during the Term, Mark43 hereby grants to Subscriber a non-exclusive, non-transferable (except as permitted by Section 11.2), non-sublicensable (a) right to access and use, and to permit Authorized Users to access and use solely for the benefit of Subscriber and its Affiliated Agencies, the Applications, and (b) license to download and install on Subscriber’s servers, and use in connection with Subscriber’s use of the Applications hereunder, any Interface Software, in each case of (a) and (b), solely in furtherance of Subscriber’s legitimate internal business purposes and in accordance with this Agreement and the Documentation. Mark43 will be responsible for hosting the Website and the Applications, and

Subscriber and its Authorized Users will be responsible for obtaining internet connections and other third-party software, hardware and services necessary for them to access the Website through the internet, including as set forth in the Documentation. Subscriber will be responsible to Mark43 for each Authorized User's compliance with the restrictions on use and other terms and conditions of this Agreement and for each Authorized User's acts and omissions in connection with their use of the SaaS Services.

- 2.2 Professional Services.** Subject to the terms and conditions of this Agreement, Mark43 will provide to Subscriber the Professional Services agreed to by Subscriber and Mark43 and set forth in a Statement of Work. To the extent any Professional Services involve the development of any Work Product, all Intellectual Property Rights to such Work Product will be solely owned by Mark43, will be deemed to be included in the definition of SaaS Services and will be provided to Subscriber on the terms set forth herein.
- 2.3 Access to Documentation.** Mark43 will provide Subscriber via the Website or other means with access to the Documentation, as may be updated from time to time. Subscriber may print copies of, use, and permit its Authorized Users to use, the Documentation solely in connection with the use of the SaaS Services.
- 2.4 Support Services.** Subject to the terms and conditions of this Agreement, Mark43 will provide to Subscriber the Support Services.
- 2.5 Restrictions on Use.** Except as expressly permitted in this Agreement or the Documentation, Subscriber and its Authorized Users will not, directly or indirectly, and will not permit any other party to: (a) share Subscriber's or any Authorized User's login credentials to the Applications, Support Services and Documentation; (b) reverse engineer, decompile, disassemble, or otherwise attempt to discern the source code, underlying ideas, algorithms, file formats, or interface protocols of any of the Mark43 Materials or of any files contained in or generated by any Mark43 Materials; (c) copy, modify, adapt or translate any of the Mark43 Materials, or otherwise make any use, resell, distribute or sublicense any of the Mark43 Materials; (d) make any of the Mark43 Materials available on a "service bureau" basis or otherwise provide to or allow any third parties to access or use any of the Mark43 Materials; (e) remove or modify any proprietary marking or restrictive legends of Mark43 or its suppliers in or on any of the Mark43 Materials; (f) use any of the Mark43 Materials in violation of any Applicable Law; (g) use any of the Mark43 Materials or any Mark43 Integrated Applications to create or augment any mapping or navigation related dataset, business listings database, mailing list, or telemarketing list, for use in connection with any products or services other than the SaaS Services; (h) introduce into any of the Mark43 Materials any viruses, worms, defects, Trojan horses, malware, or any items of a destructive nature; (i) use any of the Mark43 Materials to post advertising or listings; (j) use any of the Mark43 Materials to defame, abuse, harass, stalk, or threaten others; (k) if Subscriber's organization is based in the United States, permit access or use of any of the Mark43 Materials by any individual located outside the United States; (l) hide or obscure any Authorized User's location; (m) access or use or permit others to access or use, any of the Mark43 Materials (i) for any activities other than to enhance Subscriber's own services and professional judgment, or (ii) in any manner such that the Mark43 Materials are the only resources being utilized by Subscriber or any Authorized User to make a decision that could lead to death, personal injury, or property damages; or (n) access or use any of the Mark43 Materials to create a competitive product or service. In addition, Subscriber and its Authorized Users may not access or use any of the Mark43 Materials if in direct competition with Mark43, and will not allow access to or use of any of the Mark43 Materials by any party who is in direct competition with Mark43, except with Mark43's prior written consent. Subscriber shall comply with all additional restrictions relating to its use of any Mark43 Integrated Applications and Subscriber Integrated Applications.
- 2.6 Security Obligations.** Subscriber and its Authorized Users shall securely manage their respective password(s) for access to the Applications. Subscriber shall notify Mark43 as soon as practicable in the event it becomes aware of any unauthorized access or use of the Applications, or of any of its or its Authorized Users' passwords or accounts. Unless expressly stated otherwise in the applicable Order Form, a single username or password may not be used by more than one (1) Authorized User. In addition, Authorized Users may log into the Applications from only one location at any given time; concurrent usage (or sign in) under a single username is prohibited, unless Subscriber has a business justification for concurrent usage, in which case Subscriber must obtain Mark43's prior written approval for such usage. Subscriber is responsible for all activities conducted using its and its Authorized Users' user accounts in use of the Applications. Subscriber shall comply with all Applicable Laws in connection with use of the Services and Applications, including all those related to data privacy and the transmission of technical or personal data. Subscriber agrees to (a) provide

true, accurate, current and complete registration data for each account it creates via the Applications, and (b) maintain and promptly update the registration data to keep it true, accurate, current and complete.

- 2.7 Changes to SaaS Services.** Mark43 may make changes and Updates to the Applications and SaaS Services, provided that it does not materially derogate the overall quality of the Applications or SaaS Services. Mark43 does not guarantee that the Applications or SaaS Services are or will remain compatible with any particular third-party software or equipment, and may, upon written notice, terminate its support for any software or equipment of Subscriber that Mark43 determines are incompatible with the operation of the SaaS Services.
- 2.8 Data Sharing.** Mark43 will allow Subscriber to grant Affiliated Agencies specified levels of access to Subscriber Data pursuant to an executed data-sharing agreement between Subscriber and the applicable Affiliated Agency, and with permissions subject to the parameters laid out in such data-sharing agreement. Subscriber shall provide Mark43 with a copy of the executed data-sharing agreement prior to Mark43's allowing of any such data-sharing. As between Mark43 and Subscriber, Subscriber will be solely responsible for any damages, losses and liabilities that arise as a result of such data-sharing. For the avoidance of doubt, in the event Subscriber enables Affiliate Agencies to access Subscriber Data without providing proof of a data-sharing agreement, Subscriber shall be solely responsible for any damages, losses and liabilities that arise as a result of such data-sharing.
- 2.9 No Charge Access.** If any Applications or SaaS Services are provided or made available to Subscriber for pilot, evaluation, beta, pre-release, or otherwise for free, as identified by Mark43 (each, a "**Pilot Service**"), Mark43 hereby grants to Subscriber a limited, non-exclusive, non-transferable, non-sublicensable right to access and use such Pilot Service pursuant to the terms of this Agreement, solely for the purpose of internally evaluating the Pilot Service in consideration of a purchase of a full, non-evaluation subscription to such Pilot Service ("**Non-Pilot Subscription**"). Notwithstanding the foregoing or any other provision set forth herein, Subscriber acknowledges and agrees: (a) that such access and use right will terminate on the end date of the predetermined period set forth in the applicable Order Form or otherwise agreed in writing by the parties ("**Pilot Term**"), or may be terminated earlier upon written notice provided by either party to the other; (b) that such Pilot Service and any associated Documentation are provided to Subscriber "AS IS" and "AS AVAILABLE" without any Mark43 warranties, indemnification obligations, or support obligations of any kind, express or implied; and (c) that in no event will Mark43's or any of its suppliers' total and aggregate liability arising out of or related to such Pilot Service exceed \$1,000. The parties may agree in the applicable Order Form or otherwise in writing for Subscriber's use of the Pilot Service to convert automatically into a Non-Pilot Subscription upon the expiration of the Pilot Term without having to enter into an additional Order Form. Except to the extent such terms conflict with this Section, all other terms of this Agreement will apply to each such Pilot Service.

3. PROPRIETARY RIGHTS.

- 3.1 Ownership of Subscriber Data.** As between Mark43 and Subscriber, Subscriber owns the Subscriber Data. Subscriber hereby grants to Mark43, a royalty-free, worldwide, non-transferable (except as permitted by [Section 11.2](#)), non-sublicensable (except to Mark43's contractors on a need-to-know basis to assist Mark43 in providing the Services), license to use the Subscriber Data to configure and provide the Services to Subscriber, to prevent or address service or technical problems, in accordance with this Agreement and the Documentation, and otherwise in accordance with Subscriber's requests or instructions. Mark43 may also use Subscriber Data in anonymized and/or aggregated form to develop analytics and improvements that may be used in connection with the Mark43 products and services, provided that Mark43 may not sell or offer for sale any Subscriber Data on a standalone basis, whether in Subscriber identifiable, or anonymized and aggregated form.
- 3.2 Ownership of and Reservation of Rights to Mark43 Materials.** As between Mark43 and Subscriber, Mark43, its Affiliates or its or their suppliers own all right, title and interest in and to the Mark43 Materials and all related technology and Intellectual Property Rights. Subject to the limited rights expressly granted hereunder, Mark43, its Affiliates and its and their suppliers reserve all rights, title and interest in and to the Mark43 Materials and all related technology and Intellectual Property Rights. No rights or licenses are granted to Subscriber hereunder other than as expressly set forth in this Agreement.
- 3.3 Subscriber Feedback.** Subscriber and its Authorized Users may elect to provide Mark43 with suggestions, enhancement requests, recommendations and other feedback concerning the Mark43 Materials (the "**Subscriber Feedback**"). Subscriber hereby assigns and agrees to assign all Subscriber Feedback and all Intellectual Property Rights therein to Mark43 without lien or

encumbrance and agrees that Subscriber Feedback will be the sole property of Mark43 and that Mark43 may use Subscriber Feedback in its discretion without obligation to Subscriber. Mark43 has no obligation to make Subscriber Feedback an improvement. For the avoidance of doubt, Subscriber Feedback does not constitute Confidential Information of Subscriber hereunder.

3.4 Usage Data. Mark43 may collect certain information in connection with Subscriber's access to or use of the Services, such as access records, date and time stamps, transaction and activity records and system performance data ("**Usage Data**"). As between Mark43 and Subscriber, Mark43 owns all Usage Data. Mark43 will provide Subscriber with access to those subcategories of Usage Data to which Subscriber must be granted access in accordance with the Criminal Justice Information Services ("**CJIS**") Security Policy.

3.5 Data Security. Terms applicable to the privacy and security of Subscriber Data are set forth in Mark43's data processing addendum set forth at <https://mark43.com/data-processing-addendum/>, which is incorporated herein by this reference, and which may be updated from time to time by Mark43, provided such updates do not materially degrade Mark43's data security obligations (the "**Data Processing Addendum**").

4. INTEGRATED APPLICATIONS.

4.1 Mark43 Integrated Applications. Mark43 Integrated Applications may be included by Mark43 and provided or made available to Subscriber through the SaaS Services. In connection with the functionality provided by or through such Mark43 Integrated Applications, Subscriber hereby accepts and agrees to be bound by the terms and conditions applicable to such Mark43 Integrated Applications as set forth at <https://mark43.com/integrated-application-terms/> which may be updated from time to time upon reasonable advance written notice (email acceptable) to Subscriber (the "**Mark43 Integrated Application Terms**"). In the event of any inconsistency or conflict between the applicable Mark43 Integrated Application Terms and the terms of this Agreement, the Mark43 Integrated Application Terms shall govern with respect to Subscriber's access to and use of the applicable Mark43 Integrated Application.

4.2 Subscriber Integrated Applications; Third-Party Data. To the extent Subscriber installs, links to or enables any Subscriber Integrated Application for use with the Applications or SaaS Services, Subscriber grants and agrees to grant (and will cause the applicable Subscriber Integrated Application Provider to grant) to Mark43 permission to access, retrieve, view, store, copy, modify and process Subscriber Integrated Application Data from Subscriber's existing account(s) on each such Subscriber Integrated Application to the extent necessary to facilitate the interoperation of such Subscriber Integrated Application with the Applications or SaaS Services. To the extent Subscriber requires a Subscriber Integrated Application Provider's assistance to install, link to or enable any Subscriber Integrated Application for use with the Applications or SaaS Services, Subscriber shall separately contract with each such Subscriber Integrated Application Provider for any such assistance. In no event will Mark43 be responsible or liable for any Subscriber Integrated Application or any Subscriber Integrated Application Data or other Third-Party Data, or for any failure of a Subscriber Integrated Application to properly interoperate with any Application or the SaaS Services; provided, however, to the extent that Mark43 creates, pursuant to a Statement of Work, an interface for a Subscriber Integrated Application, Mark43 shall be responsible for such interface only, subject to the terms and conditions of this Agreement and the applicable Statement of Work. Mark43 may at any time, in its sole reasonable discretion, including upon the request of a Subscriber Integrated Application Provider or due to an actual or potential security threat, disable any connection between a Subscriber Integrated Application and the Applications or SaaS Services, and any access, retrieval and viewing of Subscriber Integrated Application Data via the Applications or SaaS Services. For the avoidance of doubt, Subscriber's access to and use of Subscriber Integrated Applications and Subscriber Integrated Application Data shall be at Subscriber's sole risk and subject to the terms and conditions of Subscriber's separate agreement(s) with the applicable Subscriber Integrated Application Providers.

5. FEES AND PAYMENT TERMS.

5.1 Fees for the Services. Subscriber will pay the fees as stated in the relevant Order Form (the "**Fees**") in accordance with the payment schedules set forth therein. Mark43 will invoice Subscriber for Fees in accordance with the invoice schedules set forth in the relevant Order Form. Except as expressly set forth herein, all payment obligations are non-cancelable and all payments of Fees are non-refundable. All amounts stated in this Agreement or on any invoice are in U.S. dollars, and all payments will be made in U.S. dollars.

- 5.2 Overdue Payments.** Any payment not received from Subscriber by the due date shall accrue late charges at the rate of 1.5% of the outstanding balance per month, or the maximum rate permitted by Applicable Law, whichever is lower, from the date such payment was due until the date paid.
- 5.3 Taxes.** Subscriber will pay all taxes, including sales, use, excise, and other governmental fees, duties, and charges (and any penalties, interest, and other additions thereto) that are imposed on Subscriber or Mark43 with respect to the transactions and payments under this Agreement (excluding taxes based on Mark43's income or employment) ("**Taxes**"). All Fees are exclusive of Taxes. If any such Taxes are required to be withheld on any payment, Subscriber will pay such additional amounts as are necessary so that the net amount received by Mark43 is equal to the amount then due and payable under this Agreement.

6. TERM AND TERMINATION.

6.1 Term.

- (a) Term of this Agreement. This Agreement begins on the Effective Date and, unless terminated earlier in accordance with the terms of this Agreement, will continue until the expiration of all periods of performance specified in an Order Form (the "**Term**").
- (b) Term of Order Forms. The initial term of each Order Form will commence on the start date set forth in such Order Form and, unless earlier terminated in accordance with the terms of this Agreement, will remain in effect through the "end date" specified therein, and will renew per the terms specified therein.

6.2 Termination; Suspension of Services.

- (a) Termination for Breach by Either Party. Either party may terminate this Agreement or an Order Form upon written notice to the other party, if the other party materially breaches this Agreement and such breach remains uncured for thirty (30) days after the other party's receipt of such notice.
- (b) Termination for Non-Appropriation. If Subscriber is a government agency, Subscriber's payment obligations under this Agreement extend only to funds appropriated annually by Subscriber or Subscriber's governing body for the purpose of this Agreement. For each succeeding fiscal period covered by this Agreement, Subscriber agrees or shall cause the applicable agency or department responsible for Subscriber's payment obligations under this Agreement to agree to include in its budget request appropriations sufficient to cover Subscriber's annual financial obligations under this Agreement. If, after making reasonable efforts to obtain relevant funding, Subscriber is appropriated insufficient funds to continue annual payments under a specific Order Form, Subscriber may terminate that Order Form by giving Mark43 not less than thirty (30) days' prior written notice. Upon termination under this paragraph, Subscriber shall compensate Mark43 or, where applicable, its reseller or distributor for all Services rendered prior to the effective date of termination the Fees for which remain outstanding.
- (c) Suspension of Services. To the extent permitted by Applicable Law, in addition to any other rights or remedies it may have under this Agreement or Applicable Law, Mark43 may immediately suspend provision of the Services without liability to Subscriber: (a) if Subscriber's account is more than sixty (60) days past due, until paid in full; (b) if Subscriber breaches Section 2.5 (Restrictions on Use) or Section 2.6 (Security Obligations); (c) to avoid harm or liability to Mark43, its Affiliates or its other customers, including in the case of denial of service attacks or other disruptions; or (d) if required by Applicable Law or a governmental authority. Subscriber shall remain liable for any Fees and other amounts payable under this Agreement during any period of suspension. Mark43 will use commercially reasonable efforts to restore Subscriber's rights to use and access those portions of the Services or accounts that gave rise to the suspension promptly after Subscriber has resolved the problem giving rise to the suspension.

6.3 Effect of Termination. In the event of any termination or expiration of this Agreement,

- (a) Subscriber will pay all amounts payable hereunder as of the termination or expiration date;
- (b) All rights, licenses and access granted hereunder to Subscriber (as well as all rights granted to any Authorized Users of Subscriber) will immediately cease, including but not limited to all use of the Mark43 Materials;
- (c) Upon Subscriber's written request prior to the effective date of termination, Mark43 will provide Subscriber with a copy of the Subscriber Data within ninety (90) days of the effective date of termination; and

- (d) Subscriber will either return to Mark43 or at Mark43's option, destroy, all documents, computer files and other materials containing any Confidential Information of Mark43 that are in Subscriber's possession or control. Upon the written request of Mark43, Subscriber will provide a written certification of its compliance with this paragraph.

6.4 Survival. This Section 6.4 and the following sections will survive any termination or expiration of this Agreement: Section 3 ("Proprietary Rights"), Section 4 ("Integrated Applications"), Section 5 ("Fees and Payment Terms"), Section 6.3 ("Effect of Termination"), Section 7 ("Confidentiality"), Section 8.3 ("Disclaimer"), Section 9 ("Limitation of Liability"), Section 10 ("Indemnification"), and Section 11 ("Miscellaneous").

7. CONFIDENTIALITY.

7.1 Definition of Confidential Information. For the purposes of this Agreement, "**Confidential Information**" means: (a) with respect to Mark43, the Mark43 Materials, and any and all source code relating thereto, as well as any non-public information or material regarding Mark43's legal or business affairs, products, technology, financing, pricing, customers, properties or data, and (b) with respect to Subscriber, the Subscriber Data and any non-public information or material regarding Subscriber's legal or business affairs, technology, properties or data. Notwithstanding any of the foregoing, Confidential Information does not include information which: (i) is generally publicly available at the time of disclosure or becomes generally publicly available after disclosure through no fault of the party to which the Confidential Information has been disclosed (the "**Receiving Party**"); (ii) is documented as being known to the Receiving Party free of any confidentiality obligations prior to its disclosure by the other party (the "**Disclosing Party**"); (iii) is independently developed by the Receiving Party without reference or access to the Confidential Information of the Disclosing Party and is so documented; or (iv) is obtained by the Receiving Party, free of any confidentiality obligations, from a third person who was rightly in possession of such information.

7.2 Use and Disclosure of Confidential Information. The Receiving Party will, with respect to all Confidential Information disclosed by the Disclosing Party before or after the Effective Date: (i) use such Confidential Information only to perform its obligations or exercise its rights under this Agreement; (ii) subject to Section 7.4 below, restrict disclosure of such Confidential Information within the Receiving Party's organization to only those of the Receiving Party's employees and independent contractors who have a need to know such Confidential Information in connection with the Receiving Party's performance of this Agreement and who are subject to confidentiality obligations with respect to such Confidential Information no less restrictive than those set forth herein; and (iii) except as expressly provided herein, not disclose such Confidential Information to any third party unless authorized in writing by the Disclosing Party to do so.

7.3 Protection of Confidential Information. The Receiving Party will protect the confidentiality of all Confidential Information disclosed by the Disclosing Party using at least the degree of care that it uses to protect its own confidential information (but no less than a reasonable degree of care).

7.4 Employee and Independent Contractor Compliance. The Receiving Party will, prior to providing any employee or independent contractor access to any Confidential Information of the Disclosing Party in accordance with Section 7.2, inform such employee or independent contractor of the confidential nature of such Confidential Information and require such employee or independent contractor to comply with the Receiving Party's obligations hereunder with respect to such Confidential Information.

7.5 Compelled Disclosure. A disclosure by one party of Confidential Information of the other party to the extent required by Applicable Law will not be considered a breach of this Agreement, provided the party so compelled promptly provides the other party with prior notice of such compelled disclosure (to the extent legally permitted) and provides reasonable assistance, at the other party's request and cost, if the other party wishes to contest the disclosure.

7.6 Public Records.

- (a) For purposes of this Section 7 (Confidentiality), the term "**Public Records Request**" shall mean any request for the disclosure of records pursuant to a state public records law or "sunshine" law, federal Freedom of Information Act or other comparable law.
- (b) To the extent Subscriber is subject to a Public Records Request that seeks the disclosure of any proprietary or financial information provided by Mark43 to Subscriber, Subscriber shall, prior to any such disclosure, promptly notify Mark43 of such Public Records Request in writing (to the extent legally permitted to do so) and provide reasonable assistance, at Mark43's request and

cost, if Subscriber plans to release such information. Subscriber shall also identify for Mark43 the information or materials it intends to disclose, and provide Mark43 at least ten (10) days to review prior to disclosure, or if such time is not available or permitted under Applicable Law, at least as much time as would be reasonable to allow Mark43 to meaningfully review and seek appropriate relief. For the avoidance of doubt, and without limiting the foregoing, Subscriber hereby acknowledges that Mark43 shall have no implicit or explicit obligation to challenge, oppose or defend against any request described herein.

7.7 CJIS Standards; Employee Background Checks.

- (a) Subscriber understands and agrees that Mark43 utilizes Cloud Providers (as defined in the Data Processing Addendum) to host the Applications, SaaS Services and Subscriber Data.
- (b) Subscriber may request reasonable records from Mark43 from time to time to assess Mark43's adherence to requirements of the applicable CJIS Security Policy promulgated by the FBI. For the avoidance of doubt, Subscriber may need the consent of Cloud Providers to obtain any records or information from Cloud Providers.
- (c) Subscriber will have the opportunity to run, at Subscriber's expense, reasonable background checks on Mark43 employees who will have direct access to Subscriber Data in Subscriber's production environment (such employees, the "**Covered Employees**"), provided that:
 - (i) If Subscriber is in a State that operates a statewide CJIS vendor clearance program, and Mark43 is enrolled and in good standing with such program, Subscriber agrees to rely on the State's confirmation of clearance for Covered Employees. Subscriber will not require additional background checks at the local or agency level, unless otherwise required by applicable law.
 - (ii) Mark43's obligation in support of background checks conducted by Subscriber, if necessary, shall be limited to providing the following: a signed CJIS Security Addendum, a CJIS Security Awareness Training certificate, a copy of government-issued photo ID, one FD-258 fingerprint card, and only such additional documentation as is required by applicable state law or published state CJIS policy. Mark43 shall not be required to provide any other personnel or background documentation and shall not be required to make Covered Employees available for interviews, whether in person, by phone, or otherwise.
 - (iii) For any background check conducted under this Section 7.7(c), Mark43 may assume that a Covered Employee has been cleared by Subscriber if Mark43 does not receive an adverse response from Subscriber within thirty (30) days of submitting the documentation described in Section 7.7(c)(ii).

8. REPRESENTATIONS AND WARRANTIES.

- 8.1 **Power and Authority.** Each party represents and warrants that it has the full right, power and authority to enter into this Agreement and to discharge its obligations hereunder and that the person signing this Agreement on behalf of the party has the authority to bind that party. Subscriber represents and warrants that it has obtained, and shall have throughout the Term, all necessary approvals, consents, and authorizations necessary for procurement under this Agreement and that its obligations under this Agreement do not, and shall not, exceed any budget authority limitations during the Term of this Agreement.
- 8.2 **Services Warranty.**
 - (a) Mark43 represents and warrants that the Applications and SaaS Services will be made available to Subscriber in accordance in all material respects with the Documentation. Subscriber's sole remedy and Mark43's sole obligation with respect to a breach of the foregoing warranty is for Mark43, through the Support Services, to use commercially reasonable efforts to remedy the breach within a commercially reasonable amount of time.
 - (b) Mark43 represents and warrants that the Professional Services will be provided in a professional manner and that for a period of thirty (30) days from Go Live (the "**Warranty Period**"), the Work Product will operate in material accordance with the specifications provided by Mark43 or otherwise agreed between the parties in writing (including in the applicable Statement of Work). Subscriber's sole remedy and Mark43's sole obligation with respect to a breach of the foregoing warranty is for Mark43 to use commercially reasonable efforts to work with Subscriber to resolve the issue causing such breach within a commercially reasonable amount of time. After the

Warranty Period, if Subscriber experiences any issue with the Work Product, the parties must enter into a new Statement of Work to address such issues at Mark43's then-current Professional Services pricing. For clarity, Mark43's Support Services do not apply to or provide support for any Professional Services or Work Product.

8.3 Disclaimer. USE OF THE MARK43 MATERIALS IS NOT, AND IS NOT INTENDED TO BE, A SUBSTITUTE FOR THE PROFESSIONAL JUDGMENT OF AUTHORIZED PARTIES, INCLUDING DISPATCHERS, LAW ENFORCEMENT OFFICERS, INVESTIGATORS OR FIRST RESPONDERS. THE MARK43 MATERIALS ARE PROVIDED FOR INFORMATIONAL PURPOSES ONLY AND THE DATA PROVIDED OR MADE AVAILABLE BY MARK43 OR ITS SUPPLIERS IN CONNECTION WITH THE MARK43 MATERIALS SHOULD NOT REPLACE OTHER EMERGENCY INFORMATION AND SHOULD NOT BE EXCLUSIVELY RELIED-UPON IN AN EMERGENCY SCENARIO. SUBSCRIBER SHALL BE SOLELY RESPONSIBLE FOR ALL ITS OWN ACTIONS OR FAILURE TO ACT IN CONNECTION WITH ITS AND ITS AUTHORIZED USERS' USE OF THE MARK43 MATERIALS AND ANY THIRD-PARTY DATA, INCLUDING WITH RESPECT TO COMPLIANCE WITH APPLICABLE LAWS, AND MARK43 AND ITS SUPPLIERS ASSUME NO RESPONSIBILITY, LIABILITY OR RISK FOR SUBSCRIBER'S USE OR MISUSE OF, OR FAILURE TO USE, THE INFORMATION PROVIDED OR MADE AVAILABLE BY MARK43 OR ITS SUPPLIERS THROUGH THE MARK43 MATERIALS OR ANY THIRD-PARTY DATA. SUBSCRIBER AND THE APPLICABLE AUTHORIZED USERS ARE SOLELY RESPONSIBLE FOR, AND SUBSCRIBER WILL BE SOLELY LIABLE FOR, (a) VERIFYING THE ACCURACY, COMPLETENESS, AND SUITABILITY OF ANY DATA USED IN CONNECTION WITH THE SERVICES, AND (b) ANY CONSEQUENCES OF A "HARD DELETE" (i.e., WHEN DATA IS PERMANENTLY REMOVED FROM A DATABASE) OF ANY SUBSCRIBER DATA PERFORMED BY OR AT THE REQUEST OF SUBSCRIBER OR ANY OF ITS AUTHORIZED USERS. SUBSCRIBER ACKNOWLEDGES THAT THE MARK43 MATERIALS DO NOT CONTAIN OR PROVIDE LEGAL ADVICE. EXCEPT FOR THE LIMITED WARRANTIES PROVIDED BY MARK43 IN SECTION 8.1 AND SECTION 8.2, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, MARK43 AND ITS SUPPLIERS MAKE NO WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND SPECIFICALLY DISCLAIM ALL IMPLIED WARRANTIES, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE MARK43 MATERIALS. MARK43 AND ITS SUPPLIERS DO NOT WARRANT THAT THE MARK43 MATERIALS WILL BE ERROR FREE OR UNINTERRUPTED. MARK43 AND ITS SUPPLIERS SHALL NOT BE LIABLE FOR DELAYS, INTERRUPTIONS, SERVICE FAILURES OR OTHER PROBLEMS INHERENT IN USE OF THE INTERNET AND ELECTRONIC COMMUNICATIONS OR OTHER SYSTEMS OUTSIDE OF THEIR REASONABLE CONTROL. NEITHER MARK43 NOR ANY OF ITS SUPPLIERS MAKES ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER TO SUBSCRIBER OR ANY OTHER PARTIES WITH RESPECT TO ANY MARK43 INTEGRATED APPLICATIONS, MARK43 INTEGRATED APPLICATION DATA, SUBSCRIBER INTEGRATED APPLICATIONS, SUBSCRIBER INTEGRATED APPLICATION DATA, OR ANY THIRD-PARTY DATA.

SUBSCRIBER ACKNOWLEDGES AND AGREES THAT THE SERVICES AND APPLICATIONS MAY INCLUDE, INCORPORATE, AND/OR BE DERIVED FROM, AND THAT IN PROVIDING THE SERVICES MARK43 MAY UTILIZE OR EMPLOY, SYSTEMS, APPLICATIONS, MODELS (INCLUDING LARGE LANGUAGE MODELS), ALGORITHMS, TOOLS, OR SERVICES THAT PERFORM TASKS COMMONLY ASSOCIATED WITH HUMAN INTELLIGENCE, SUCH AS LEARNING, REASONING, PREDICTIVE ANALYTICS, OR GENERATIVE CONTENT CREATION ("AI TECHNOLOGY"). SUBSCRIBER FURTHER ACKNOWLEDGES AND AGREES THAT AI TECHNOLOGY, AS WELL AS ANY DATA, RECOMMENDATIONS, PREDICTIONS, TEXT, OR OTHER MATERIAL PRODUCED, IN WHOLE OR IN PART, THROUGH THE USE OF AI TECHNOLOGY ("AI-GENERATED OUTPUT"), ARE PROBABILISTIC IN NATURE AND MAY GENERATE INCOMPLETE, INACCURATE, OR INAPPROPRIATE RESULTS. ACCORDINGLY, AI TECHNOLOGY AND AI-GENERATED OUTPUT ARE PROVIDED "AS IS". MARK43 MAKES NO WARRANTIES, REPRESENTATIONS, GUARANTEES, OR COVENANTS OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, WITH RESPECT TO AI TECHNOLOGY OR AI-GENERATED OUTPUT, INCLUDING WITHOUT LIMITATION ANY WARRANTY OR REPRESENTATION THAT AI-GENERATED OUTPUT WILL BE ACCURATE, COMPLETE, ERROR-FREE, RELIABLE, CURRENT, FIT FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR COMPLIANT WITH SUBSCRIBER'S INTERNAL POLICIES OR ANY APPLICABLE LAW OR REGULATION.

9. LIMITATION OF LIABILITY.

- 9.1 Limitation of Liability.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL MARK43'S OR ANY OF ITS SUPPLIERS' TOTAL AND AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE, EXCEED THE AGGREGATE AMOUNT OF FEES RECEIVED BY MARK43 PURSUANT TO THIS AGREEMENT DURING THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE FIRST DATE ON WHICH SUCH LIABILITY ARISES. THE FOREGOING LIMITATION IS CUMULATIVE, WITH ALL PAYMENTS FOR CLAIMS OR DAMAGES BEING AGGREGATED TO DETERMINE SATISFACTION OF THE LIMIT, AND THE EXISTENCE OF ONE OR MORE CLAIMS WILL NOT ENLARGE THAT LIMIT. NEITHER MARK43 NOR ANY PROVIDER OF ANY MARK43 INTEGRATED APPLICATIONS, MARK43 INTEGRATED APPLICATION DATA, SUBSCRIBER INTEGRATED APPLICATIONS, OR SUBSCRIBER INTEGRATED APPLICATION DATA SHALL HAVE ANY LIABILITY TO SUBSCRIBER OR ANY OTHER PARTY UNDER THIS AGREEMENT ARISING OUT OF OR RELATING TO SUBSCRIBER'S USE OF SUCH INTEGRATED APPLICATIONS OR DATA, OR FOR ANY OTHER THIRD-PARTY DATA.
- 9.2 Exclusion of Damages.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL MARK43 OR ITS SUPPLIERS HAVE ANY LIABILITY TO SUBSCRIBER OR ANY OTHER PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, CONSEQUENTIAL, PERSONAL INJURY OR PROPERTY DAMAGES, HOWEVER CAUSED, OR FOR ANY LOST PROFITS, LOSS OF USE, LOSS OF DATA, COST OF DATA RECONSTRUCTION OR COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, WHETHER IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF OR RELATED TO THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO THE USE OR INABILITY TO USE THE MARK43 MATERIALS, SERVICES, OR THIRD-PARTY DATA, OR FOR ANY INTERRUPTION, INACCURACY, ERROR OR OMISSION IN THE USE THEREOF, EVEN IF MARK43 OR ITS SUPPLIERS HAVE BEEN PREVIOUSLY ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES.
- 9.3 Exceptions.** NOTWITHSTANDING THE FOREGOING, THE EXCLUSIONS AND LIMITATIONS OF LIABILITY SET FORTH IN SECTION 9.1 AND SECTION 9.2 SHALL NOT APPLY TO MARK43'S LIABILITY FOR ITS INDEMNITY OBLIGATIONS UNDER THIS AGREEMENT, ITS GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

10. INDEMNIFICATION.

- 10.1 Indemnification by Mark43.** Mark43 shall defend and hold harmless Subscriber, and its employees, officers, and directors (the "**Subscriber Indemnified Parties**") against any third-party claim (each, a "**Third-Party Claim**") brought against them, and shall indemnify the applicable Subscriber Indemnified Parties for all losses, damages and expenses (including reasonable attorneys' fees) ("**Losses**") arising from such Third-Party Claim, to the extent such Third-Party Claim alleges that Subscriber's use of an Application as provided by Mark43 and when used in accordance with the Documentation and in compliance with this Agreement infringes that third party's U.S. copyright, U.S. patent issued as of the Effective Date, or U.S. trademark, or misappropriates that third party's trade secret. Mark43 shall have no obligation or liability under this Section 10.1 (Indemnification by Mark43) to the extent the Third-Party Claim arises from: (a) Subscriber's or any Authorized User's failure to incorporate any Update made available by Mark43 that would have avoided the alleged infringement or misappropriation; (b) modification of the Applications by anyone other than Mark43; (c) specifications, instructions, features, functions or designs or other elements provided by or requested by Subscriber or any of its Authorized Users; (d) use of the Applications in combination with any other product, service, data, process or material not provided by Mark43 (including any Subscriber Integrated Applications or Subscriber Integrated Application Data or any other Third-Party Data); or (e) use of the Applications in a manner not contemplated by this Agreement or the Documentation. If any of the Applications are (or Mark43 reasonably believes are likely to become) the subject of a claim for which Mark43 would be obligated to defend and indemnify pursuant to this Section, then Mark43 may, at its sole option, obtain for Subscriber the right to continue use of such Applications or replace or modify such Applications, as applicable, provided there is no material loss of functionality. If neither of the foregoing options is reasonably available to Mark43, in its reasonable judgment, then use of such Applications may be terminated at the option of Mark43 and Mark43 will refund any prepaid fees paid by Subscriber for such Applications applicable to the periods following the effective date of termination. The remedies provided in this Section 10.1 (Indemnification by Mark43) are Subscriber's sole and exclusive remedies for any third-party claims of infringement or misappropriation of Intellectual Property Rights by the Applications.

10.2 Indemnification by Subscriber. To the extent consistent with Applicable Law, Subscriber shall defend and hold harmless Mark43, its Affiliates, suppliers, and their respective employees, officers, and directors (the “**Mark43 Indemnified Parties**”) against any Third-Party Claim brought against them, and shall indemnify the applicable Mark43 Indemnified Parties for all Losses arising from such Third-Party Claim, to the extent such Third-Party Claim arises out of or is related to (a) Subscriber’s breach of Section 2.5 (Restrictions on Use), Section 2.6 (Security Obligations) or Section 3.2 (Ownership of and Reservation of Rights to Mark43 Materials); (b) Mark43’s, Subscriber’s or any Authorized User’s use or processing of any Subscriber Data, Subscriber Integrated Applications, or Subscriber Integrated Application Data, including any Third-Party Claim alleging that any Subscriber Data, Subscriber Integrated Applications, or Subscriber Integrated Application Data infringes, misappropriates or violates the rights, including Intellectual Property Rights or privacy rights, of a third party or violates any Applicable Law; or (c) Mark43’s disabling a connection to a Subscriber Integrated Application at Subscriber’s request.

10.3 Procedures. Each indemnified party shall give the indemnifying party prompt written notice of any Third-Party Claim to which an indemnification obligation under this Section 10 (Indemnification) may apply and shall reasonably cooperate with the indemnifying party, at its expense, in the defense or settlement of any such Third-Party Claim. An indemnifying party’s obligations under this Section 10 (Indemnification) will be diminished to the extent that it is materially prejudiced by the indemnified party’s non-compliance with the foregoing procedures.

11. MISCELLANEOUS.

11.1 Notices. Unless otherwise specified herein, all notices and other communications between the parties required or permitted by this Agreement or by Applicable Law, will be deemed properly given, if given by (i) personal service, (ii) registered or certified mail, postage prepaid, return receipt requested, or (iii) nationally recognized private courier service, to the respective addresses of the parties set forth below, with, in each case, a copy to the email addresses provided below. Each party may designate a new address by like notice; each party may also designate a new address in an Order Form, provided that the new address is expressly noted as being for such purpose. Notices given hereunder will be effective upon (a) receipt by the party to which notice is given; or (b) on the fifth (5th) business day following mailing, whichever occurs first. For notices relating to Security Incidents (as defined in the Data Processing Addendum), notice shall be sent exclusively to the email address(es) specified as the security contact below.

<p>If to Mark43:</p> <p>Mark43, Inc. 8 West 40th Street 2nd Floor New York, NY 10018 Attn: CFO Email: contractnotices@mark43.com</p>	<p>If to Subscriber:</p> <p>Cayetana Polanco City Administrator 39046 LBJ Blvd Starbase, Texas 78521 Email: cayetana.polanco@starbase.texas.gov</p>
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Copy to:

Mark43, Inc.
8 West 40th Street
2nd Floor
New York, NY 10018
Attn: General Counsel
Email: legal@mark43.com

11.2 Assignment. Neither party may assign or otherwise transfer any of its rights or obligations under this Agreement without the prior, written consent of the other party; provided, however, that a party may, without the consent of the other party, assign or otherwise transfer this Agreement in its entirety to any of its Affiliates or to an entity with or into which it is merged or consolidated or to which it sells all or substantially all of its assets, stock or other equity interests. Any assignment or other transfer in violation of this section will be null and void. Subject to the foregoing, this Agreement will be binding upon and inure to the benefit of the parties hereto and their permitted successors and assigns.

11.3 Governing Law. This Agreement will be governed by the internal laws of the state in which Subscriber is geographically located, and any disputes between the parties may be resolved in a state or federal court of competent jurisdiction within such state. EACH PARTY HEREBY WAIVES

ANY RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY ACTION OR LITIGATION IN ANY WAY ARISING OUT OF OR RELATED TO THIS AGREEMENT.

- 11.4 Dispute Resolution.** Prior to the initiation of any legal proceeding other than one for equitable relief as described in subsection (d) below, the parties shall first attempt to resolve their dispute informally, as follows:
- (a) Within five (5) business days following the written request of a party, designated individual(s) from Mark43 and Subscriber shall meet to resolve such dispute.
 - (b) The representatives referred to in paragraph (a) shall meet as often as the parties reasonably deem necessary in order to gather and furnish to the other all information with respect to the matter at issue that the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of formal legal proceedings. The specified format for the discussions will be left to the discretion of the designated representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
 - (c) If the representatives referred to in paragraph (a) above are unable to resolve the dispute within thirty (30) days after the dispute is escalated to them, then either party may escalate the dispute to the Chief Financial Officer or similar of Mark43 and the Chief or Sheriff or comparable Subscriber official, for their review and resolution.
 - (d) The provisions of this Section 11.4 shall not be construed to prevent a party from instituting, and a party is authorized to institute, judicial or other proceedings either to (i) seek injunctive relief or (ii) avoid the expiration of any applicable legal or contractual limitations period.
- 11.5 Force Majeure.** Except with respect to failure to pay any amount due under this Agreement, nonperformance of either party will be excused to the extent that performance is rendered impossible by strike, fire, flood, epidemics, pandemics, governmental acts that are not caused by or within the control of the nonperforming party, orders or restrictions, failure of suppliers, or any other reason where failure to perform is beyond the control and not caused by the negligence of the nonperforming party.
- 11.6 No Waiver.** The failure of either party to enforce at any time for any period any provision hereof will not be construed to be a waiver of such provision or of the right of such party thereafter to enforce each such provision, nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver of any rights is to be charged against any party unless such waiver is in writing signed by an authorized representative of the party so charged.
- 11.7 Amendment.** No modification, change or amendment to this Agreement shall be effective unless in writing signed by duly authorized representatives of each of Subscriber and Mark43. No term included in any invoice, estimate, confirmation, acceptance, purchase order or any other similar document (other than Order Forms or Statements of Work) in connection with this Agreement will be effective unless expressly stated otherwise in a separate writing signed by duly authorized representatives of each of Subscriber and Mark43.
- 11.8 Relationship of the Parties.** The relationship of the parties established by this Agreement is that of independent contractors and nothing contained herein will be construed to (a) give any party any right or authority to create or assume any obligation of any kind on behalf of any other party or (b) constitute the parties as partners, joint ventures, co-owners or otherwise as participants in a joint or common undertaking.
- 11.9 Use of Vendors.** Subscriber agrees that Mark43 may provide information, data and materials that Mark43 receives in connection with this Agreement (including Subscriber Data) to draw on the resources of, and subcontract certain of its obligations hereunder to, its Affiliates and independent contractors engaged by Mark43 (each, a **"Mark43 Vendor"**) for internal, administrative and compliance purposes or in connection with the hosting or provision of the SaaS Services and other products and services to be provided by Mark43 pursuant to this Agreement. Mark43 shall be responsible in accordance with the terms of this Agreement for each Mark43 Vendor's compliance with the terms of this Agreement and for its acts and omissions that cause Mark43 to breach its obligations under this Agreement.
- 11.10 Severability.** Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction will, to the extent the economic benefits conferred thereby to the parties remain substantially unimpaired, be ineffective to the extent of such invalidity or unenforceability without

rendering invalid or unenforceable the remaining terms and provisions or affecting the validity or enforceability of any of such terms or provisions in any other jurisdiction.

- 11.11 Headings; Construction.** The titles and headings contained in this Agreement are for reference purposes only and shall not in any manner limit the construction or interpretation of this Agreement. Use of the term “including” herein shall be deemed to be followed by “without limitation.”
- 11.12 Counterparts.** This Agreement may be executed, including by electronic signature, in two or more counterparts, each of which shall be an original and all such counterparts together shall constitute one and the same instrument. Electronically executed or electronically transmitted (including via facsimile transmission) signatures have the full force and effect of original signatures.
- 11.13 Cumulative Remedies.** All remedies for breach of this Agreement are cumulative, and may be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed an election of such remedy to the exclusion of other remedies.
- 11.14 Export Compliance.** In connection with this Agreement, each party will comply with all applicable import, re-import, export, and re-export control laws and regulations, including the Export Administration Regulations, the International Traffic in Arms Regulations, and country-specific economic sanctions programs implemented by the Office of Foreign Assets Control. When applicable, Subscriber will provide Mark43 with information about Subscriber’s export and distribution activities as may be required for Mark43 to meet its obligations under the United States export control laws and regulations.
- 11.15 Compliance with Laws.** Each party shall comply with all Applicable Laws relating or pertaining to the performance of its obligations and the exercise of its rights under this Agreement. Subscriber shall ensure that its use of all Subscriber Data complies with all Applicable Laws relating to the privacy of third parties and the protection of their personal data promulgated by any governmental, municipal, or legal authority having jurisdiction over Subscriber or the Subscriber Data covered by this Agreement. Each party shall comply with local anti-bribery laws as well as the U.S. Foreign Corrupt Practices Act, as well as any other Applicable Laws and regulations. In connection with its performance under this Agreement, neither party shall directly or indirectly: (A) offer, pay, promise to pay, or authorize the payment of any money, gift or other thing of value to any person who is an official, agent, employee, or representative of any government or instrumentality thereof or to any candidate for political or political party office, or to any other person while knowing or having reason to believe that all or any portion of such money, gift or thing of value will be offered, given, or promised, directly or indirectly, to any such official, agent, employee, or representative of any government or political party, political party official or candidate; (B) offer, promise or give any person working for, or engaged by, the other party a financial or other advantage to (i) induce that person to perform improperly a relevant function or activity; or (ii) reward that person for improper performance of a relevant function or activity; or (C) request, agree to receive or accept any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with this Agreement. Each party represents and warrants that it shall be responsible for compliance with this provision by all third parties engaged by it to perform services related to this Agreement and shall require that such third parties agree to comply with all legal requirements required of such party under this Agreement.
- 11.16 Entire Agreement.** This Agreement supersedes all previous understandings, agreements and representations between the parties or any affiliates or agents thereof, written or oral, and constitutes the entire agreement and understanding between the parties with respect to the subject matter of this Agreement, and incorporates all representations, warranties, covenants, commitments and understandings on which they have relied in entering into this Agreement, and, except as provided for herein, neither party makes any covenant or other commitment concerning its future action nor does either party make any promises, representations, conditions, provisions or terms related thereto.
- 11.17 Supporting Documents.**
- The following documents, along with all Order Forms and Statements of Work, are expressly incorporated into this Agreement and are collectively referred to herein as the “**Supporting Documents**.”

- Technical Requirements: <https://mark43.com/tech-requirements>
- Support Services: <https://mark43.com/support-services/>
- Data Processing Addendum: <https://mark43.com/data-processing-addendum/>

- Mark43 Integrated Application Terms: <https://mark43.com/integrated-application-terms/>

This Agreement and the Supporting Documents shall be construed to be mutually complementary and supplementary whenever possible. In the event of a conflict that cannot be resolved, the provisions of the body of this Agreement shall control over any conflicting provisions in any of the Supporting Documents.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

MARK43, INC.

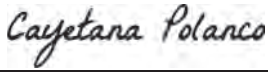
By: 

Name: Christopher D. Merwin

Title: Chief Financial Officer

Date: 05 / 02 / 2026

SUBSCRIBER

By: 

Name: Cayetana Polanco

Title: City Administrator

Date: 05 / 04 / 2026

In Process



ORDER FORM

Mark43, Inc.
 8 West 40th Street, 2nd Floor
 New York, NY 10018

Quote Number: Q-02418.4
 Offer Valid Through: June 1, 2026
 Sales Contact: Steven Saied
steven.saied@mark43.com

Bill to:

Subscriber Name: City of Starbase
 Address: 39046 LBJ BLVD #02
 Starbase, TX 78521
 Billing Frequency: Annual
 Payment Terms: Net 30

Start Date: Date of last signature on this Order Form
 End Date: 5 years after the Start Date
 Billing Contact: Cayetana Polanco
 Billing Contact Email: cayetana.polanco@starbase.texas.gov

Purchase Order. Is a purchase order required by Subscriber to purchase? Yes _____ No _____

Cooperative Purchasing Program. Mark43 will provide components included in this Order Form to Subscriber through Sourcewell's Cooperative Purchasing Program (Reference Master Agreement Number 030425-MR43 and Participating Agency Account # **245224**).

SaaS Services. Product descriptions for the Services noted below are set forth at <https://mark43.com/Mark43-Product-Catalogue>:

<i>Year 1 SaaS and Recurring Services</i>		
<i>SKU</i>	<i>Name/Description</i>	<i>Qty (if applicable)</i>
INS-INF	Insights Informed	Not to Exceed 1 Instance(s)
DLK 1	Data Lake - Base	Not to Exceed 1 instance(s)
Mark43 RMS for Texas Agencies to Include:		
RMS 1 ST	RMS Reports Writing - STANDARD (Not to exceed 5 report types)	Not to Exceed 10 total sworn
RMS 2 ST	Case Management - STANDARD (Not to exceed 1 case type, Out of the box fields and configurations)	Not to Exceed 10 total sworn
RMS 3 ST	Property and Evidence - STANDARD (Out of the box fields and retention policies, Configurable storage locations)	Not to Exceed 10 total sworn
RMS 4	RMS Warrants Module	Not to Exceed 10 total sworn
RMS 7	RMS Fillable PDFs	Not to Exceed 1 instance(s)
MOB 1 RMS	OnScene Mobile Application for RMS	Not to Exceed 10 total sworn
	Subtotal	\$12,549.00

<i>Year 2 SaaS and Recurring Services</i>		
<i>SKU</i>	<i>Name/Description</i>	<i>Qty (if applicable)</i>
INS-INF	Insights Informed	Not to Exceed 1 Instance(s)
DLK 1	Data Lake - Base	Not to Exceed 1 instance(s)
INT-MAINT-ST	Interface Maintenance: Standard Level	Not to Exceed 1 interface(s)
Mark43 RMS for Texas Agencies to Include:		
RMS 1 ST	RMS Reports Writing - STANDARD (Not to exceed 5 report types)	Not to Exceed 10 total sworn
RMS 2 ST	Case Management - STANDARD (Not to exceed 1 case type, Out of the box fields and configurations)	Not to Exceed 10 total sworn
RMS 3 ST	Property and Evidence - STANDARD (Out of the box fields and retention policies, Configurable storage locations)	Not to Exceed 10 total sworn
RMS 4	RMS Warrants Module	Not to Exceed 10 total sworn
RMS 7	RMS Fillable PDFs	Not to Exceed 1 instance(s)
MOB 1 RMS	OnScene Mobile Application for RMS	Not to Exceed 10 total sworn
INT-MAINT-STD	Interface Maintenance: Standard	1 interface(s)
	Subtotal	\$12,549.00

<i>Year 3 SaaS and Recurring Services</i>		
<i>SKU</i>	<i>Name/Description</i>	<i>Qty (if applicable)</i>
INS-INF	Insights Informed	Not to Exceed 1 Instance(s)
DLK 1	Data Lake - Base	Not to Exceed 1 instance(s)
INT-MAINT-ST	Interface Maintenance: Standard Level	Not to Exceed 1 interface(s)
Mark43 RMS for Texas Agencies to Include:		
RMS 1 ST	RMS Reports Writing - STANDARD (Not to exceed 5 report types)	Not to Exceed 10 total sworn
RMS 2 ST	Case Management - STANDARD (Not to exceed 1 case type, Out of the box fields and configurations)	Not to Exceed 10 total sworn
RMS 3 ST	Property and Evidence - STANDARD (Out of the box fields and retention policies, Configurable storage locations)	Not to Exceed 10 total sworn
RMS 4	RMS Warrants Module	Not to Exceed 10 total sworn
RMS 7	RMS Fillable PDFs	Not to Exceed 1 instance(s)
MOB 1 RMS	OnScene Mobile Application for RMS	Not to Exceed 10 total sworn
INT-MAINT-STD	Interface Maintenance: Standard	1 interface(s)
	Subtotal	\$13,176.00

<i>Year 4 SaaS and Recurring Services</i>		
<i>SKU</i>	<i>Name/Description</i>	<i>Qty (if applicable)</i>
INS-INF	Insights Informed	Not to Exceed 1 Instance(s)
DLK 1	Data Lake - Base	Not to Exceed 1 instance(s)
INT-MAINT-ST	Interface Maintenance: Standard Level	Not to Exceed 1 interface(s)
Mark43 RMS for Texas Agencies to Include:		
RMS 1 ST	RMS Reports Writing - STANDARD (Not to exceed 5 report types)	Not to Exceed 10 total sworn
RMS 2 ST	Case Management - STANDARD (Not to exceed 1 case type, Out of the box fields and configurations)	Not to Exceed 10 total sworn
RMS 3 ST	Property and Evidence - STANDARD (Out of the box fields and retention policies, Configurable storage locations)	Not to Exceed 10 total sworn
RMS 4	RMS Warrants Module	Not to Exceed 10 total sworn
RMS 7	RMS Fillable PDFs	Not to Exceed 1 instance(s)
MOB 1 RMS	OnScene Mobile Application for RMS	Not to Exceed 10 total sworn
INT-MAINT-STD	Interface Maintenance: Standard	1 interface(s)
	Subtotal	\$13,835.00

<i>Year 5 SaaS and Recurring Services</i>		
<i>SKU</i>	<i>Name/Description</i>	<i>Qty (if applicable)</i>
INS-INF	Insights Informed	Not to Exceed 1 Instance(s)
DLK 1	Data Lake - Base	Not to Exceed 1 instance(s)
INT-MAINT-ST	Interface Maintenance: Standard Level	Not to Exceed 1 interface(s)
Mark43 RMS for Texas Agencies to Include:		
RMS 1 ST	RMS Reports Writing - STANDARD (Not to exceed 5 report types)	Not to Exceed 10 total sworn
RMS 2 ST	Case Management - STANDARD (Not to exceed 1 case type, Out of the box fields and configurations)	Not to Exceed 10 total sworn
RMS 3 ST	Property and Evidence - STANDARD (Out of the box fields and retention policies, Configurable storage locations)	Not to Exceed 10 total sworn
RMS 4	RMS Warrants Module	Not to Exceed 10 total sworn
RMS 7	RMS Fillable PDFs	Not to Exceed 1 instance(s)
MOB 1 RMS	OnScene Mobile Application for RMS	Not to Exceed 10 total sworn
INT-MAINT-STD	Interface Maintenance: Standard	1 interface(s)
	Subtotal	\$14,527.00

Total SaaS Services	\$66,636.00
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<i>Professional Services</i>			
<i>SKU</i>	<i>Name/Description</i>	<i>Qty (if applicable)</i>	<i>Price to Subscriber</i>
IMP-L1	Level 1 Implementation	1 package(s)	\$21,980.00
DAIS	Data Analytics Implementation Services	1 package(s)	\$3,200.00
PM-15	Oversight - Single Platform - 5	1 package(s)	\$2,903.00
TRN	Standard Training Package	1 package(s)	\$1,600.00
IMP INT PLT	Interface Development: Platform	1 bundle	\$0.00
IMP INT STD	Interface Development: Standard	1 interface(s)	\$0.00
	Total		\$29,683.00

*Mark43 Texas Interface Bundle includes option to integrate with any of the following if used by the Subscriber: Esri GIS, Active Directory, 3rd Party Statewide Crash - (CRIS, Brazos, LexisNexis Ethos), 3rd Party Statewide Citation Import – (Brazos, Pulse, Saltus, CRIS), Idemia, MorphoTrak - (Mugshots)/Fingerprints, Axon Evidence.com, E911 (ANI/ALI), Flock Safety, RapidSOS, Single Sign On (SSO). Integration development after the initial implementation period may be subject to additional fees. Components cannot be removed or substituted for another interface or module. Refer to SOW for final interfaces included during implementation.

Renewal Term and Pricing. Unless Subscriber provides **60 days'** notice of termination prior to the End Date, the SaaS Services will auto-renew for a 5 year term at an increase of 5% year over year for each year of the renewal term. Additional increases may be applied at any time during the Term if required quantities increase.

Invoicing and Payment. Subscription Fees are payable upfront annually. Mark43 will issue the first invoice on or after the effective date of this Order Form and each subsequent invoice (if any) on or after the anniversary thereof. Subscriber shall pay all invoices to Mark43's nominated bank account within thirty (30) days of the date of the invoice.

<i>Payment Schedule</i>	<i>Due Date</i>	<i>Amount Due</i>
Year 1 Payment(s)	Order Form Start Date	\$12,549.00
	Milestone: Project Initiation	\$14,841.50
	Milestone: Train the Trainer	\$14,841.50
Year 2 Payment(s)	First anniversary of Start Date	\$12,549.00
Year 3 Payment(s)	Second anniversary of Start Date	\$13,176.00
Year 4 Payment(s)	Third anniversary of Start Date	\$13,835.00
Year 5 Payment(s)	Fourth anniversary of Start Date	\$14,527.00
Total		\$96,319.00

This Order Form is entered into in accordance with and it incorporates the terms of the Software License and Services Agreement and any attached schedules (the "SLSA" or "Agreement"). Except as otherwise provided in this Order Form, previously executed Order Form(s) remain in effect. This Order Form does not incorporate any other terms, whether oral or written, and whether contained in a purchase order or otherwise and, for the avoidance of doubt, prevails over any terms contained therein. By signing below, the parties agree to be bound by the terms of this Order Form. Each party represents and warrants that this Order Form is executed by a duly authorized legal representative of such party. This Order Form may be executed in counterparts (including electronic copies) each of which will be deemed an original, with all counterparts constituting one agreement.

Mark43, Inc.

Name: Christopher D. Merwin

Title: Chief Financial Officer

Signature: 

Date: 05 / 02 / 2026

Subscriber

Name: *Cayetana Polanco*

Title: City Administrator

Signature: *Cayetana Polanco*

Date: 05 / 04 / 2026

In Process



MARK43

Statement of Work

In Process
City of Starbase

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Section 1: Introduction and Overview

Order Form Number: Q-02418.2

This Statement of Work (SOW) outlines the Professional Services to be provided to the City of Starbase (Subscriber) to assist with the setup, configuration and/or optimization of the Mark43 Applications. This SOW forms a part of, and is entered into pursuant to, the Software License and Services Agreement between Mark43 and Subscriber (SLSA). This SOW shall have the same Effective Date as defined in the SLSA. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the SLSA.

This project will follow an implementation approach tailored to the specific solution scope, which is designed to allow for flexibility in delivery while ensuring alignment with project objectives.

The term of this SOW will begin on the Effective Date and continue until the completion of the Professional Services, which is expected to span twelve (12) months from the Effective Date.

Professional Services not explicitly listed herein, including unique integrations, custom development, or solutions that fall outside of established best practices, are excluded from the scope of this SOW.

Section 2: Scope of Services and Deliverables

2.1 Records Management System (RMS)

2.1.1 Tenant Provisioning

Tenant provisioning is the creation of the tenant and the configuration of the Subscriber's agency information therein. The in-scope tenants are detailed below. Upon creation of the Foundation Tenant, a user account will be provisioned for one designated member of the Subscriber's project team, thereby granting the Subscriber access to the Tenant.

Tenant	Description
Foundation (Training and Testing)	(1) Sandbox environment for continuous testing and validation
Production	(1) Live environment to support launch and sustainment

2.1.2 RMS Report Types

The table below outlines the report types in-scope for this SOW. Mark43 and the Subscriber will work together to set up the configurable elements of these report types. The Citation report type listed below will not be included in the launch-required reports because it depends on the Subscriber obtaining third-party software for integration, and integration with that third-party vendor is not included in the scope of this SOW.

Report Type Name	Description
Offense/Incident	Captures offense and incident information and NIBRS data
Arrest	Captures offender and charge information and NIBRS data
Supplement	Add additional (non-NIBRS related) details to reports
Offense Modifying Supplement	Updates NIBRS elements of completed reports
Property Evidence Summary Report	Aggregates property and evidence under a single report number

Citation	Report type used for citation interface that is not customizable
TCOLE	TCOLE Data capture
Use of Force	Captures Use of Force information
Field Contact	Captures Field Contact information

2.1.3 RMS Case Types

The number of case types in scope is listed in the Order Form. Mark43 and the Subscriber will work together to set up the configurable elements of these case types.

2.1.4 RMS Evidence Module

Mark43 and the Subscriber will configure elements of the Evidence Module, to include retention policies, storage locations, chain of custody options, barcode label configuration, label printer setup, and property and evidence exports.

2.1.5 RMS Warrants Module

Mark43 and the Subscriber will configure the Warrants Module, to include warrant details, activities, and number sequencing.

2.1.6 RMS Administrative Settings

Mark43 will coordinate with the Subscriber to configure the administrative settings including roles, abilities, report type settings, tasks, and other administrative settings. Mark43 will also coordinate with the Subscriber to upload GIS shapefiles, subdivisions, and location aliases. Mark43 will work with the Subscriber to perform updates to the location data on a biannual basis.

2.1.7 RMS Technical Requirements

Mark43 will provide consultation on any technical requirements to set up the applications included in-scope on supported mobile devices and laptops/desktops, single sign on configuration, evidence label printers and servers, and setup of AWS S3 storage/Azure cloud storage for migration (if applicable).

2.1.8 Fillable PDFs

Mark43 will develop state-required fillable PDF forms as part of the configurations for the region.

2.1.9 RMS OnScene

Mark43 will coordinate with the Subscriber to configure all elements of the OnScene Application.

2.2 Insights

Mark43 will assist in creating customized dashboards containing up to fifteen (15) visualizations, as well as configuring automated, recurring reports.

2.3 Data Lake

Mark43 will provide a database containing replicated data on a server as described on the Order Form.

2.4 Training

Mark43 offers a variety of train-the-trainer and direct end-user training that can be performed on-site and/or virtually.

Product	Training Time and Description
RMS	Report Writing Fundamentals, Reviews & Investigations (Train the Trainer) One 2-day session Records Functions - One 1-day session
Insights	Two 1-hour sessions

2.5 Interfaces

Mark43 will collaborate with the Subscriber to design, develop, and deploy the in-scope interfaces.

Interface Name	Interface Type	Product and Direction	Description
CAD (Tyler Tech NWS)	Standard	RMS (inbound)	This interface imports basic CAD event information from the Tyler Tech NWS CAD into Mark43 RMS

Section 3: Project Phases and Timeline

3.1 Project Phases

3.1.1 Preparation and Planning

A detailed project plan is created, including governance structure, timelines, and milestones. The Introduction call is completed with the subscriber.

3.1.2 Discovery and Application Setup

The tenant is provisioned. In-scope modules, products, and applications are activated and configured.

3.1.3 Application Validation

Establish code cutoff. Subscriber conducts parallel processing and practice in all modules to ensure configuration is correct, and application setup is complete. Launch requirements and acceptance criteria have been met.

Data Requirements: Interfaces are completed and validated as functional.

3.1.4 Training and Change Management

Training is completed with the Subscriber.

3.1.5 Launch

All in-scope modules and products are set to live, and the Subscriber begins using the product.

3.1.6 Project Closeout

Upon the completion of project deliverables, the project team will conduct a final review to resolve outstanding items, perform a knowledge transfer, and formally close out the project.

Section 4: Assumptions and Constraints

The Professional Services provided through this SOW are premised on the following being true:

4.1 Assumptions

- Mark43 is not responsible for configuring non-Mark43 products.
- Professional Services are limited to the scope of services of each offering purchased.
- Mark43 is not responsible for evaluating the Subscriber's current state or agency practices, policies, or procedures for the purpose of process improvement or performance improvement.
- Professional Services within this SOW will be delivered to Subscriber remotely unless agreed otherwise.
- When combining individual professional services offerings (application setup, additional reports and/or modules, interfaces, data migration and training), there will be one (1) project management/preparation phase, one (1) application setup phase, one (1) enablement phase and one (1) launch phase.
- Creating agency specific forms or fillable PDFs to be generated from the application is not the responsibility of Mark43. Original PDFs must be provided by the Subscriber.
- Mark43 is not responsible for the codes (offenses, charges, etc.) or compliance mappings that will be enabled and maintained in the system.
- After the application is initially set up, the Subscriber will be able to maintain the configuration of the tenant, including users, roles and abilities.
- All configurations and content mappings are based on Mark43 default configurations. Mark43 is not responsible for the re-purposing of any field.
- Mark43's Professional Services team will determine which support tickets directly impact the outcomes listed herein and will manage and resolve support cases that prevent the outcomes from being completed. Any support cases not directly impacting project outcomes will be managed by Mark43's Customer Success and Support teams in accordance with Subscriber's agreement in place with Mark43.
- Remaining open support cases will not keep this SOW open as long as all outcomes defined herein have been performed.
- Mark43 resources will not be responsible for updating Subscriber project tracking tools and systems.
- Mark43 resources will not be responsible for creating or maintaining any internal documentation for the Subscriber regarding use of the application.

4.2 Constraints

The following activities and responsibilities are excluded from the scope of the implementation:

- Implementation of products or delivery of services not included within this SOW or the SLSA.
- Evaluation of Subscriber's current state or agency practices, policies, or procedures for the purpose of process improvement or performance improvement.
- Troubleshooting of any issues not related to Mark43 software, Mark43 development, or Mark43 interfaces, unless otherwise outlined.
- Interfacing, or integrating, from or to Mark43 from other systems or third parties other than those specified in this SOW or the SLSA.
- Installation of any non-Mark43 software, servers, workstations, or any other hardware.
- Export of Mark43 data to other systems or third parties other than those specified in the SLSA.

Section 5: Project Management and Governance

5.1 Project Management Approach

The project will follow a structured project management methodology to ensure timely and quality delivery of project outcomes. A dedicated Project Manager will be assigned to oversee the project through the different phases detailed in Section 3 using project management tools to facilitate scheduling, status reporting, and project task management.

5.2 Governance Structure

The Project governance structure will be designed to ensure alignment, accountability, and effective decision-making to support successful implementation. A dedicated project team will be resourced, and recurring meetings will be held to track progress, manage risks, and address issues.

5.3 Communication Plan

To support streamlined communication and effective collaboration, the project will leverage recurring status meetings, regular status reports, and a shared documentation repository to ensure transparency and alignment throughout the project lifecycle.

5.4 Risk Management Plan

Risks will be logged and tracked using our project management tools. The escalation process will serve to provide a clear path for raising issues that can adversely affect project progress.

Section 6: Change Order Process

6.1 Initiation of Request

Any changes made to this SOW will be made through a Change Order. A Change Order may be initiated by either party through documentation provided by Mark43 to handle changes to the SOW. Either Project Manager may request a change by email to the other party's Project Manager and the two shall jointly review.

6.2 Continuation of Service

Until a Change Order is either executed between Subscriber and Mark43 or attached to an additional Order Form, the Professional Services will continue in accordance with the latest agreed version of the SOW.

Section 7: Roles and Responsibilities

7.1 Project Governance Activities

Subscriber Responsibilities

Detailed below are the key stakeholders and their responsibilities for project implementation.

Subscriber Key Stakeholder	Responsibilities
Executive Sponsor	Executive alignment, issue escalation, and strategic guidance
Project Manager	Project planning, execution oversight, stakeholder coordination
RMS Lead	RMS subject matter expert
Training Lead	Training coordinator(s) and facilitator(s)
Technical Lead	Technical oversight and implementation support
GIS Lead	GIS subject matter expert

Mark43 Responsibilities

Project Introduction will include a welcome email, a subscriber introduction meeting, and an overview of the Mark43 subscriber journey, Professional Services, and SOW.

Mark43 Key Stakeholders	Responsibilities
Executive Sponsor	Executive alignment, issue escalation, and strategic guidance
Project Manager	Project planning, execution oversight, stakeholder coordination
RMS Architect	RMS subject matter expert
GIS Architect	GIS subject matter expert
Professional Services Lead	Technical oversight, server configuration, SSO and GIS setup

7.2 Application Setup Activities

Subscriber Responsibilities

Attend configuration sessions to finalize field settings, rules, and administrative settings, and provide operational context as needed.

Subscriber Key Stakeholder	Responsibilities
Project Manager	Execution oversight and stakeholder coordination
RMS Lead	RMS subject matter expert
Technical Lead	Technical oversight and implementation support

Mark43 Responsibilities

Host configuration sessions to review fields, attributes, rules, and admin settings. Provide best practices, assist with initial setup, and supply required templates to support application configuration.

Mark43 Key Stakeholders	Responsibilities
Project Manager	Execution oversight and stakeholder coordination
RMS Architect	RMS subject matter expert

7.3 GIS/Location Activities (if applicable)

Subscriber Responsibilities

Provide shapefile and location entities in the correct format to Mark43. Deliver ESRI map package with all visual components.

Subscriber Key Stakeholder	Responsibilities
Project Manager	Oversight, stakeholder coordination
RMS Lead	RMS subject matter expert
GIS Lead	GIS subject matter expert
Technical Lead	Technical oversight and implementation support

Mark43 Responsibilities

Provide Subscriber with shapefile and location entity prerequisites, review data formatting, and upload to the Mark43 tenant for review with the Subscriber.

Mark43 Key Stakeholders	Responsibilities
Project Manager	Oversight, stakeholder coordination
RMS Architect	RMS subject matter expert
GIS Architect	GIS subject matter expert
Professional Services Lead	Technical oversight, server configuration, SSO and GIS setup

7.4 Technical Requirement Activities (if applicable)

Subscriber Responsibilities

Setup 2 x Linux Server OS and Evidence Label Printers. Verify hardware/software requirements; download and configure OnScene application.

Provide SSO IDP configuration, COM port and GPS modem details, public IPs for AWS S3 access, and VPN access for Mark43 configurations.

Subscriber Key Stakeholder	Responsibilities
Project Manager	Oversight, stakeholder coordination
Technical Lead	Technical oversight and implementation support

Mark43 Responsibilities

Configure Linux servers for Mark43 RMS, set up evidence print servers, and configure SSO access.

Mark43 Key Stakeholders	Responsibilities
Project Manager	Oversight, stakeholder coordination
Professional Services Lead	Technical oversight, server configuration, SSO and GIS setup

7.5 Training Activities

Subscriber Responsibilities

Provide a training space with internet, computers (Chrome or Edge), projector, speakers for remote sessions, individual stations for each trainee, a participant roster, and ensure users have accounts and login access.

Subscriber Key Stakeholder	Responsibilities
Project Manager	Oversight, stakeholder coordination
RMS Lead	RMS subject matter expert
Training Lead	Training Coordinator and Facilitator

Mark43 Responsibilities

Mark43 will provide access to our knowledge portal and learning management system, deliver standardized training outlines, and collaborate with the Subscriber to schedule all training sessions.

Mark43 Key Stakeholders	Responsibilities
Project Manager	Oversight, stakeholder coordination
RMS Architect	RMS subject matter expert

7.6 Launch Activities

Subscriber Responsibilities

Subscriber will communicate the details of launch internally, establish and share issue escalation process, provide launch support, send a launch confirmation email to Mark43, and escalate issues to the project team during the hypercare period that spans 30 days post-launch.

Subscriber Key Stakeholder	Responsibilities
Project Manager	Oversight, stakeholder coordination
RMS Lead	RMS subject matter expert
Technical Lead	Technical oversight and implementation support

Mark43 Responsibilities

Mark43 will provide the cutover checklist, support plan, and launch issue tracker, clone the production tenant, deliver contracted launch support, and manage launch issues for 30 days post-launch facilitating a transition to the Customer Experience and Support teams thereafter.

Mark43 Key Stakeholders	Responsibilities
Project Manager	Oversight, stakeholder coordination
RMS Architect	RMS subject matter expert
Professional Services Lead	Technical oversight, server configuration, SSO and GIS setup

7.7 Additional Subscriber Responsibility

Subscriber will provide timely feedback and responses. Late feedback may impact target delivery dates. Such delays may impact work streams or the project in its entirety. Mark43 reserves the right, in its discretion, to pause any portion of the project if impacted by a lack of feedback or responsiveness and will not be liable for any resulting delays.

Signature Sheet

Cayetana Polanco

Customer







ChDM

Christopher D. Merwin, Chief Financial Officer
Mark43, Inc.

In Process

Title	Starbase TX SLISA, Order Form and SOW
File name	2026.05.01_...n_Copy_.pdf and 2 others
Document ID	4a1f2ce4fc4a02726f67d3d02a29f00b07059608
Audit trail date format	MM / DD / YYYY
Status	● Signed

Document History

	05 / 01 / 2026 22:02:35 UTC	Sent for signature to Chris Merwin (chris.merwin@mark43.com) and Cayetana Polanco (cayetana.polanco@starbase.texas.gov) from legal@mark43.com IP: 136.226.18.83
	05 / 02 / 2026 12:56:01 UTC	Viewed by Chris Merwin (chris.merwin@mark43.com) IP: 136.226.18.179
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	05 / 05 / 2026 01:01:48 UTC	Signed by Cayetana Polanco (cayetana.polanco@starbase.texas.gov) IP: 66.9.191.144
	05 / 05 / 2026 01:01:48 UTC	The document has been completed.

BYLAWS OF
STARBASE ECONOMIC DEVELOPMENT CORPORATION

ARTICLE I. PURPOSE AND OPERATIONS

1.01 Purpose. The Starbase Economic Development Corporation ("Corporation") is established for the purposes set forth in its Certificate of Formation, as a duly constituted authority and instrumentality of the City of Starbase ("City"), in accordance with the Development Corporation Act, as amended, Title 12, Subtitle Cl, Chapter 501 of the Texas Local Government Code, and other applicable laws. The Corporation shall function as a Type B corporation as prescribed by Chapter 505, Texas Local Government Code.

1.02 Powers. In the fulfillment of its corporate purpose, the Corporation shall have all of the powers of a nonprofit corporation in the State of Texas and such other powers set forth and conferred in its Certificate of Formation, in the Development Corporation Act, and in other applicable law, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.

1.03 Location. The principal office of the Corporation is located at 39046 L B J Blvd. Unit 02, Starbase, TX 78521.

ARTICLE II. BOARD OF DIRECTORS

2.01 Number, Appointment and Term of Office. The business and affairs of the Corporation shall be managed by a Board of Directors (the "Board") composed of seven (7) directors ("Directors"). The Directors shall be appointed by the City Commission, and at least three (3) Directors must not be employees or officers of the City or members of the City Commission. Each member of the Board shall serve at the pleasure of the City Commission for a term of two (2) years, after which they shall be eligible for reappointment. Any Director may be removed from office by the City Commission at will. Each Director shall be a resident of the City, or, so long as the City has a population under 20,000, shall be either (1) a resident of the City, (2) a resident of Cameron County, or (3) reside within 10 miles of the municipality's boundaries and in a county bordering the county in which most of the area of the municipality is located.

2.02 Vacancies. In case of a vacancy on the Board, the City Commission shall appoint a successor to serve the remainder of the unexpired term.

2.03 Regular Meeting; Place of Meetings. Regular meetings shall be held from time to time and at least once annually, as determined by action of the Board, and shall be held at 48491 State Highway 4, Starbase, TX 78521. or such other location within the City as determined by the Board.

2.04 Special Meetings. Special meetings of the Board shall be held whenever called by the President.

2.05 Notice of Meetings. The Secretary shall cause notice of the time and place of holding each meeting of the Board to be given to each Director. The notice may be in writing, in person, by telephone, or by email. Neither the business to be transacted nor the purpose of any regular or special meeting of the Board need be specified in the notice to Directors. Notice of each meeting shall also be given to the public in accordance with the Texas Open Meetings Act.

2.06 Quorum. A majority of the membership of the Board, including vacancies, shall constitute a quorum for the transaction of business. The act of a majority of the directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board and of the Corporation, unless the act of a greater number is required by law.

2.07 Conduct of Business. The property and business of the Corporation shall be managed by the Board which may exercise all powers of the Corporation. The Board may exercise such authority by resolution, minute order or other formal action taken by a vote of the Board at a called regular or special meeting. All meetings shall be called and conducted in accordance with the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended. At all meetings of the Board, the President, or in the President's absence, the Secretary, or in the absence of both of these officers, a member of the Board selected by the Directors present, shall preside. The presiding officer shall be a voting member of the Board. The Secretary of the Corporation shall sit as Secretary at all meetings of the Board, and in case of the Secretary's absence, the presiding officer shall designate any person to act as Secretary. At the meetings, matters pertaining to the business of the Corporation shall be considered in accordance with rules of procedure as may be from time to time prescribed by the Board. The order of business posted on the agenda shall be determined by the presiding officer.

2.08 Committees of the Board. The Board may designate two (2) or three (3) Directors to constitute an official committee of the Board to exercise such authority as approved by the Board. It is provided, however, that all final, official actions of the Corporation may be exercised only by the Board. Official committees shall not be subject to the Texas Open Meetings Act; however, each committee so designated shall keep regular minutes of the transactions of its meetings and shall cause such minutes to be recorded in the records kept in the principal office of the Corporation.

2.09 Compensation of Directors and Officers. Directors and officers shall not receive any salary for their services. However, they shall be reimbursed for their actual expenses incurred in the performance of their duties, including but not limited to the cost of travel, lodging and incidental expenses reasonably related to the corporate duties of the Board. Travel expenses incurred by Directors for both regular and special meetings are not eligible for reimbursement.

2.10 Additional Powers. In addition to the powers conferred by these Bylaws, the Board may exercise all powers of the Corporation and do all lawful acts and things that are not prohibited by statute or these Bylaws including, but not limited to, the following powers:

(1) To purchase, or otherwise acquire for the Corporation, any property, rights, or privileges which the Corporation is authorized to acquire, at such price or consideration and generally on such terms and conditions as it determines to be appropriate, and at its discretion to pay therefor either wholly or partly in money, notes, bonds, debentures, or other securities or contracts of the Corporation

as may be lawful.

(2) To create, make and issue notes, mortgages, bonds, deeds of trust, trust agreements and negotiable or transferable instruments and securities, secured by mortgage or deed of trust on any real property of the Corporation or otherwise, and to do every other act or thing necessary to effectuate the same.

(3) To sell or lease the real or personal property of the Corporation on such terms as the Board may see fit and to execute all deeds, leases and other conveyances or contracts that may be necessary for carrying out the purposes of the Corporation.

2.11 Conflicts of Interest and Disclosure of Certain Interests. The procedures prescribed in the Texas Business Organizations Code, Chapter 22, Section 22.230 governing conflicts of interest for directors of nonprofit corporations, shall apply to all transactions of the Corporation. The Corporation may not make a loan to a Director.

2.12 All directors are required to complete the Texas Open Meetings Act and Texas Public Information Act trainings as required by law.

ARTICLE III. OFFICERS

3.01 Election of Officers. A meeting of the Board for the election of officers and the transaction of other business shall be held in May of each year, unless changed by the Board. The officers of the Corporation shall be a President, Secretary, and Treasurer. These offices shall be held by Directors. One person may hold more than one office, except that same person may not hold the offices of President and Secretary. Officers shall be elected for terms of one (1) year with the right of an officer to be reelected for successive terms.

3.02 Removal. All officers shall be subject to removal from office at any time by a vote of a majority of the entire Board. A vacancy in any office shall be filled by a vote of a majority of the Directors.

3.03 Executive Director. The Executive Director of the Corporation shall provide such staff as may be necessary for administrative support services for the Corporation and shall perform all other duties prescribed by the Board. The Executive Director shall be a non-voting ex officio member of the Board. The Executive Director shall have general and active management of the business of the Corporation.

3.04 President. The President shall preside at all meetings of the Board. Such person shall have power to sign and execute all contracts, instruments of conveyance, bonds, deeds, assignments, mortgages, notes, and other instruments in the name of the Corporation, after approval by the Board, and to sign checks, drafts, notes and orders for the payment of money.

3.05 Secretary. The Secretary shall keep the minutes of all meetings of the Board; shall provide all notices; may sign in the name of the Corporation, with the President, all contracts, instruments of conveyance, bonds, deeds, assignments, mortgages, notes, and other instruments authorized by the Board; shall have charge of the books and papers of the Corporation; and shall in general perform all

the duties incident to the office of Secretary, subject to the control of the Board. Records of the Corporation shall be maintained and filed in the office of the City Secretary of the City and shall be subject to public inspection and release in accordance with the Texas Public Information Act, Chapter 552, Texas Government Code. In the absence or disability of the President, the Secretary may perform the duties and exercise the powers of the President.

3.06 Treasurer. The Treasurer shall have custody of all funds and securities of the Corporation and shall endorse on behalf of the Corporation checks, notes and other obligations and shall deposit the same to the credit of the Corporation in such bank or depository as the Board may designate. Whenever required by the Board the Treasurer shall render a statement of the Corporation's cash account; enter regularly in the books of the Corporation a full and accurate account of all monies received and paid out on behalf of the Corporation; and perform all acts incident to the position of Treasurer, subject to the control of the Board. All written statements and accounts shall be maintained and filed in the office of the Finance Director for the City.

3.07 Assistant Officers. The Board may appoint one or more employees of the City as Assistant Secretaries and one or more employees of the City as Assistant Treasurers. Each Assistant shall hold office for such period as the Board may prescribe. Any Assistant may perform any of the duties or exercise any of the powers of the Secretary or Treasurer at the request or in the absence or disability of the Secretary or Treasurer.

ARTICLE IV. CORPORATE FINANCES

4.01 Annual Budget. The fiscal year of the Corporation shall be the same as the fiscal year of the City. In conjunction with the adoption of the City budget, the Board shall adopt a proposed budget of expected revenues and proposed expenditures for the next ensuing fiscal year. The budget shall contain such classifications and shall be in such form as may be prescribed from time to time by the City Commission. The budget shall not be effective until the same has been approved by the City Commission. Approval of the annual budget by the City Commission shall constitute the Commission's authorization of the expenditures contemplated therein for purposes of Section 501.073 of the Texas Local Government Code. Expenditures and commitments not contemplated by the approved budget shall require separate City Commission approval.

4.02 Deposit and Investment of Corporation Funds. All proceeds from loans or from the issuance of bonds, notes, or other debt instruments ("Obligations") issued by the Corporation shall be deposited and invested as provided in the resolution, order, indenture, or other documents authorizing or relating to their execution or issuance. Subject to the requirements of contracts, loan agreements, indentures or other agreements securing Obligations, all other monies of the Corporation, if any, shall be deposited, secured, and/or invested in the manner provided for the deposit, security, and/or investment of the public funds of the City. The Board, with City Commission approval, shall designate the accounts and depositories to be created and designated for such purposes, and the methods of withdrawal of funds therefrom for use by and for the purposes of the Corporation upon the signature of its treasurer and such other persons as the Board designates. The funds of the Corporation may be deposited or invested in the same accounts and depositories as City funds but shall be separately accounted as Corporation

funds. The accounts, reconciliation, and investment of such funds and accounts shall be performed by the Finance Department of the City.

4.03 Expenditure of Corporate Monies. The income of the Corporation and the proceeds from the investment of funds, the sale of property, and the sale of Obligations of the Corporation, may be expended by the Corporation for any of the purposes authorized by the Development Corporation Act, subject to the following limitations:

(1) Expenditures that may be made from a fund created with the proceeds of Obligations, and expenditures of monies derived from sources other than the proceeds of Obligations may be used for the purpose of financing or otherwise providing one or more "Projects," as defined in the Development Corporation Act and the Certificate of Formation; and

(2) All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budget or in contracts approved by the Board and authorized by the City Commission; and

(3) Any agreement between the Corporation and a third party that commits Corporation funds or resources shall require authorization and approval by the City Commission prior to execution.

4.04 Issuance of Obligations. No Obligations, including refunding Obligations, shall be authorized or sold and delivered by the Corporation unless the City Commission approves such Obligations by action taken prior to the date of sale of the Obligations.

4.05 Financial Records; Annual Audit. The Corporation shall keep and properly maintain, in accordance with generally accepted accounting principles, complete books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs. The City shall at all times have access to the books and records of the Corporation. At the direction of the City Commission, the books, records, accounts, and financial statements of the Corporation may be maintained for the Corporation by the accountants, staff and personnel of the City. The Board shall arrange for an annual independent audit of the Corporation's books and records and shall provide such to the City within 120 days of the end of each fiscal year.

ARTICLE V. INDEMNITY

As provided in the Act and in the Articles of Incorporation, the Corporation is, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit and its actions are governmental functions. The Corporation shall indemnify each member of the Board, its officers and employees, and each member of the City Commission and employee of the City, to the applicable limits established by the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practice and Remedies Code) or other applicable law, against all liability or expense, including attorneys fees, incurred by reason of any actions or omissions that may arise out of the functions and activities of the Corporation. The attorney for the Corporation is authorized to provide

a defense for members of the Board, officers and employees of the Corporation in cases where the Board indemnifies such individuals.

ARTICLE VI. MISCELLANEOUS

6.01 Notices and Waivers. Whenever under the provisions of these Bylaws notice is required to be given to any Director or officer, unless otherwise provided, the notice may be given personally, or it may be given in writing by depositing it in the post office or mailbox in a post-paid envelope or postal card addressed to the Director or officer, at the address as appears on the books of the Corporation, and the notice shall be deemed to be given at the time when it is mailed. Whenever any notice to Directors or officers is required to be given by law, or by these Bylaws, a waiver in writing signed by the person or persons entitled to the notice, whether before or after the time stated, shall be deemed the equivalent of notice. This paragraph does not eliminate the requirement to comply with the Open Meetings Act.

6.02 Negotiable Instruments. All negotiable instruments, including but not limited to drafts, notes, bonds or other obligations of the Corporation shall be signed by such officers of the Corporation or by such persons as may be authorized by the Board. All negotiable instruments shall require the signature of two persons.

6.03 Resignations. Any Director or officer may at any time resign. Resignations shall be made in writing and shall take effect at the time specified in the resignation, or if no time be specified, at the time of its receipt by the President or the Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

6.04 Approval of the City Commission. To the extent these Bylaws refer to any approval or other action to be taken by the City, that approval or action shall be evidenced by a resolution or ordinance duly adopted by the City Commission.

6.05 Organizational Control. The City Commission at its sole discretion, and at any time, may alter or change the structure, organization or activities of the Corporation (including the termination of the Corporation), subject to any limitation on the impairment of contracts entered into by such Corporation. The City, however, will maintain a beneficial interest in the Corporation at all times during which any tax-exempt indebtedness approved by the Board remains outstanding.

6.06 Corporate Seal. A corporate seal is authorized but shall not be required.

6.07 Services of City Staff. The Corporation shall have the right to utilize the services of City staff and employees, provided that (i) the Corporation shall pay reasonable compensation to the City for such services as agreed upon by the Corporation and the City, and (ii) the performance of such services does not materially interfere with the other duties of such City personnel.

ARTICLE VII. PROVISIONS REGARDING BYLAWS

7.01 These Bylaws shall become effective only upon the occurrence of the following events:

- (1) The adoption of these Bylaws by the Board of Directors; and
- (2) The approval of these Bylaws by the City Commission.

7.02 These Bylaws may be amended at any time and from time to time either by majority vote of the Directors then in office with approval of the City Commission or by the City Commission itself, at its sole discretion.

7.03 These Bylaws shall be liberally construed to effectuate their purposes. If any word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to any person or circumstances, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

ARTICLE VIII. DISSOLUTION OF CORPORATION

Upon the dissolution of the Corporation all assets of the Corporation shall become assets of the City.

In Process

I hereby certify that the foregoing Bylaws are the true and correct Bylaws of the Corporation as adopted by the Board on the 16th day of May 2026.

Camille Bagnall, SEDC Board Secretary

I hereby certify that the foregoing Bylaws are the true and correct Bylaws of the Corporation approved by the City Commission by Resolution No. _____ on the _____ day of _____, 2026.

Gretchen Norton, Starbase City Clerk



May 22, 2026

VIA ELECTRONIC MAIL

Bobby Peden, Mayor
City Commission Members
City of Starbase, Texas
39046 LBJ Boulevard, Unit 02
Starbase, Texas 78521

c/o Cayetana Polanco
City Administrator, City of Starbase, Texas
39046 LBJ Boulevard, Unit 02
Starbase, Texas 78521
cayetana.polanco@starbase.texas.gov

Re: Representation and Standard Terms of Engagement for Legal Services

Dear Mayor Peden, City Commissioners, and City Administrator Polanco,

Thank you for entrusting Spencer Fane with the City Attorney role for the City of Starbase (the "City"). We are excited to support your municipality as you continue to grow and flourish. This letter supplements our prior engagement letter dated April 30, 2026 (the "General Engagement Letter") and, as contemplated by the General Engagement Letter, formally adds City Attorney duties to the scope of our engagement with the City.

Scope of Engagement.

Spencer Fane is engaged to serve as City Attorney for the City of Starbase, Texas. City Attorney services include: attending City Commission meetings and providing legal counsel in connection with those meetings; reviewing and advising on proposed ordinances, resolutions, and official City actions; reviewing and advising on contracts, agreements, and other legal instruments to which the City is a party; advising on compliance with the Texas Open Meetings Act and the Texas Public Information Act; and providing general legal counsel to the City Commission, the City Administrator, and other designated City officials and staff. Legal work under this engagement may be performed by any duly licensed attorney on the Spencer Fane team serving the City. Certain discrete matters, including litigation and other projects that the parties mutually agree to designate, may, at the election of either party, be handled under a separate engagement letter.

City of Starbase
May 22, 2026
Page 2



Designated City Attorney.

Caleb Rush, a Spencer Fane attorney licensed in the State of Texas, will serve as the formally designated City Attorney, subject to formal appointment by the City Commission. Mr. Rush's contact information is as follows:

Caleb Rush
Partner, Spencer Fane LLP
5700 Granite Parkway Suite 650
Plano, TX 75024-6622
972.324.0319
crush@spencerfane.com

In the event the City Commission, in its discretion, takes formal action to designate as City Attorney a different Spencer Fane attorney, that designation shall be effective under the same terms of this engagement without requiring a new engagement letter.

Communications.

The City Attorney will correspond primarily with the City Administrator and the City Clerk on matters of official City business. The City Attorney is authorized to correspond directly with the Mayor, City Commission members, and City staff as the City Attorney deems necessary or appropriate in the course of providing legal services to the City.

Independent Contractor.

Spencer Fane and its attorneys serve as independent contractors to the City and are not employees of the City. The City does not exercise, and shall not be deemed to exercise, any control over the hiring, supervision, compensation, or benefits of any Spencer Fane attorney or employee. Neither Spencer Fane nor any of its attorneys exercises any control over the hiring, engagement, compensation, or benefits of any City employee or contractor.

Rates.

The hourly rates applicable to this engagement are as set forth in the General Engagement Letter, including the 20% discount Spencer Fane is pleased to extend to the City. Those rates and the annual adjustment mechanism described in the General Engagement Letter apply equally here.

City of Starbase
May 22, 2026
Page 3



Travel and Costs.

In-person attendance at City Commission meetings and other on-site engagements, if required, in Starbase will generate travel costs billed to the City in addition to attorney fees, consistent with the expense reimbursement provisions of the Standard Terms, unless otherwise agreed by the parties with respect to a specific trip. Spencer Fane anticipates that the majority of its work for the City will be able to be performed without incurring travel costs.

Scope Clarification; Conflicts.

Spencer Fane is engaged by, and represents, the City of Starbase. We do not represent SpaceX. The privileges and protections of the attorney-client relationship run solely to the City and to City personnel acting within the scope of their official duties, including duly designated official advisors to the City.

All conflict disclosures and waivers set forth in the General Engagement Letter or in any other letter between Spencer Fane and the City apply equally to this engagement and continue in full force. This includes, without limitation, any waivers the City has provided in connection with Spencer Fane's representation of SEMCO LLC, a manufacturer of industrial air ducts and air-moving equipment, the Starbase Economic Development Corporation, or other City-related entities.

Records and Transition.

Spencer Fane will coordinate with the City and any previous City counsel to ensure a smooth transition. The City owns all records, files, and documents created or maintained in connection with the City's legal representation, and Spencer Fane will help coordinate any required transfer of those files and will review past files as necessary.

Effective Date; Whole Agreement.

This letter is effective upon execution and return by the City, after necessary approval by the City Commission. Upon this letter becoming effective, this letter and the General Engagement Letter together will constitute the full agreement governing Spencer Fane's representation of the City, and this letter controls in the case of any conflict between this letter and the General Engagement Letter.

City of Starbase
May 22, 2026
Page 4



I have enclosed with this letter a copy of our Firm's *Standard Terms of Engagement for Legal Services*. These terms are an integral part of our agreement with the City. Please contact me promptly if there are any questions about the *Standard Terms* or about this letter. If this letter and terms of engagement are acceptable to the City, please sign below and return a copy to our office.

We could not be more excited to take on this role and to be a trusted legal partner as Starbase grows. Please do not hesitate to reach out at any time—we are here to support and ready to get to work.

Very truly yours,

Spencer Fane LLP

Caleb Rush
crush@spencerfane.com

In Process
[SIGNATURE PAGE TO FOLLOW]

City of Starbase
May 22, 2026
Page 5



I have read the foregoing letter and the *Standard Terms of Engagement*, and I agree to the terms set forth therein on behalf of the City of Starbase, Texas.

CITY OF STARBASE, TEXAS

Dated: _____, 2026

By: _____
Name: Bobby Peden
Title: Mayor

Dated: _____, 2026

By: _____
Name: Cayetana Polanco
Title: City Administrator

In Progress



This statement sets forth the **standard terms of our engagement** as your lawyers.

The Scope of Our Work

You should have a clear understanding of the legal services we will provide. Any questions that you have should be dealt with promptly.

We will at all times act on your behalf to the best of our ability. Any expressions on our part concerning the outcome of your legal matters are expressions of our best professional judgment, but are not guarantees. Such opinions are necessarily limited to our knowledge of the facts and are based on the state of the law at the time they are expressed and should not be construed as a promise or guarantee.

It is our policy that, for conflict of interest purposes, the person or entity that we represent is the person or entity that is identified in our engagement letter and does not include any affiliates of such person or entity. For example, if you are a corporation or partnership, our representation does not extend to any parents, subsidiaries, employees, officers, directors, shareholders or partners of the corporation or partnership, or commonly owned corporations or partnerships. If you are a trade association, our representation does not extend to any members of the trade association, unless such members undertake individual arrangements with us. If you are an individual, our representation does not include your spouse, siblings, or other family members. In addition, the advice and communications which we render on your behalf are not intended to be

disseminated to or relied upon by anyone else without our written consent.

It is also our policy that, for conflict of interest purposes, the attorney-client relationship will be considered terminated upon [our completion of the services that you have retained us to perform] or [our sending you over final statement or services rendered in the matter]. If you later retain us to perform further or additional services, our attorney-client relationship will be revived subject to these terms of engagement, as they may be supplemented at that time.

Who Will Provide the Legal Services

Customarily, each client of the firm is served by a principal attorney contact. The principal attorney should be someone in whom you have confidence and with whom you enjoy working. You are free to request a change of principal attorney at any time. Subject to the supervisory role of the principal attorney, your work or parts of it may be performed by other lawyers and legal assistants in the firm. Such delegation may be for the purpose of involving lawyers or legal assistants with particular skills or experience in a given area or for the purpose of providing services in the most efficient and timely basis.

Client Responsibilities

You agree to pay our statements for services and expenses as provided below. In addition, you agree to be candid and cooperative with us and keep us informed with complete and accurate factual information, documents, communications, and other material relevant to the subject matter of our representation or otherwise reasonably requested by us. You



also agree to make any necessary business and strategy decisions in a timely manner.

Because we need to be able to contact you at all times regarding the representation, you agree to inform us, in writing, of any changes in your name, address, telephone number, contact person, email address, state of incorporation, and other relevant information regarding you or your business. Whenever we need instructions or authorization to proceed with legal work on your behalf, we will contact you at the most recent business address we have received. If you affiliate with, acquire, are acquired by, or merge with another client, you will provide us with sufficient notice to permit us to withdraw as your lawyers if we determine that such affiliation, acquisition, or merger creates a conflict of interest, or that it is not in the best interests of the firm to represent the new entity.

From time to time, either at the outset or during the course of our representation, we may express opinions or beliefs concerning the matter or various courses of action and the results that might be anticipated. Any such statement made by any lawyer of our firm is an expression of opinion only, based on information available to us at the time, and should not be construed by you as the promise or guarantee.

How Fees Will Be Set

Our fees for legal services are customarily determined on the basis of an hourly rate. Each of our lawyers and legal assistants has an hourly rate, as determined by the firm's management, consistent with the experience, reputation, and abilities of the lawyers and

legal assistants performing the services. The hourly rates of each of our lawyers and legal assistants are reviewed annually, and, if appropriate, are adjusted to reflect current levels of legal experience, reputation, ability, costs, and other factors. We will keep accurate records of the time we devote to your work.

Occasionally we are requested to estimate the amount of fees and costs likely to be incurred in connection with a particular matter. When requested, we will attempt to furnish such an estimate, based upon our past experience and best professional judgment, but with an understanding that such an estimate is not a maximum or fixed-fee quotation and that fees and costs are not usually predictable. It is expressly understood that your obligation to pay our fees and costs is in no way contingent on the outcome of this matter.

For certain well-defined services (for example, a simple business incorporation), we may quote a flat fee and the scope of the services to be provided. It is our general policy not to accept representation on a flat-fee basis except in defined-service areas or pursuant to a special arrangement tailored to the needs of a particular client. Likewise, on rare occasions we may perform work on a contingency fee or other specially deferred fee relationship. In all such situations, the flat-fee or contingency fee arrangement will be expressed in a letter from us setting forth the terms and scope of the services to be provided, and your payment obligations.

Conflicts



We represent many other companies and individuals. It is possible that during the time that we are representing you, some of our present or future clients will have disputes or transactions with you. You agree that we may continue to represent, or may undertake in the future to represent, existing or new clients in any matter that is not substantially related to our work for you even if the interests of such clients in those other matters are directly adverse to your interests, including in litigation. We agree, however, that the above consent shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a nonpublic nature that if known to such other client, could be used in any such other matter by such client to your material disadvantage. In similar engagement letters with many of our other clients, we have asked for similar agreements to preserve our ability to represent you.

In addition, you agree that we may disclose the fact of our representation of you, without disclosing the nature of such representation, to other current or future clients that may be adverse to you for the purpose of obtaining such other clients' consent to any conflict of interest that may be presented by our representation of you and such other client. We will not disclose to the other client any confidential information pertaining to our representation of you.

From time to time we may have discussions with other lawyers for the purpose of considering them joining our firm. During the course of those discussions it may be necessary to disclose your identity as a client or fee and billing information relating to our

representation of you. Such disclosure shall be subject to the confidentiality rules in the applicable codes of professional conduct and our confidentiality agreement with such other lawyers. You agree that we may disclose such limited information for these purposes.

Representation of Lawyers

We sometimes represent lawyers and law firms, and we are sometimes represented by other lawyers and law firms in matters unrelated to our representation of you. Because we do not believe these representations will materially limit our responsibilities to you or will otherwise adversely affect our representation of you, we do not believe these representations present conflicts of interest, including where any such firm also represents a client whose interests are opposed to yours in either a litigation or transactional setting. If, however, you have any concerns about whether such a relationship exists between this firm and the law firm that represents a client whose interests are adverse to yours in connection with this representation, please ask us whether there is any such relationship and we will attempt to address your concerns. Otherwise, you agree that we may represent or be represented by lawyers or law firms that also represent clients whose interests are adverse to yours.

Out-of-Pocket Expenses

Although substantial expenses incurred on a client's behalf will be sent to the client for direct payment, we often incur and pay on behalf of our clients a variety of smaller out-of-pocket costs arising in connection with legal services. These include charges made by government



agencies and service vendors. Some typical costs are certain telephone charges; express delivery charges; printing and reproduction costs; filing fees; and travel expenses. We also charge for computerized legal research either at a rate equal to that charged by our vendor or based upon negotiated volume discounts. We also charge for our actual costs paid to vendors for processing and storing data that must be collected, analyzed and sometimes produced as a part of our representation of a client in transactional, litigation or other matters. We incur outside costs as agents for our clients and incur internal expenses on behalf of our clients, who agree that these costs will be paid on a regular basis.

Billing Arrangements and Terms of Payment

We will bill you on a regular basis, normally monthly, for both fees and disbursements. You agree to make payment within thirty days of receiving our statement. We will give you prompt notice if your account becomes delinquent. If the delinquency continues and you do not arrange satisfactory payment terms, we may withdraw from the representation and may pursue collection of your account.

Retainer and Trust Deposits

New clients of the firm are commonly asked to deposit a retainer with the firm. Two types of retainers are used most frequently. A monthly retainer is an amount billed and paid apart from the usual invoices for services rendered. Part or all of the retainer then is credited to the next invoice. A second type of retainer is a long-term deposit. Unless otherwise agreed, this retainer

deposit will be credited toward your unpaid invoices, if any, at the conclusion of services.

At the conclusion of our legal representation or at such time as the deposit is unnecessary or is appropriately reduced, the remaining balance or an appropriate part of it will be returned to you. If the retainer deposit proves insufficient to cover current expenses and fees on at least a two-month basis, it may have to be increased. Deposits which are received to cover specific items will be disbursed as provided in our agreement with you, and you will be notified from time to time of the amounts applied or withdrawn. Any amount remaining after disbursement will be returned to you. All trust deposits we receive from you will be placed in a trust account for your benefit. Unless special arrangements are made, interest earned on the trust account is paid to a charitable foundation established in accordance with court rules.

Federally Regulated Financial Institutions

If you are a federally regulated financial institution, our engagement, unless expressly described otherwise in the accompanying engagement letter, will be limited to assisting you with the structuring, negotiation, documenting and closing of your financing transactions, and conducting a legal review (the scope of which will be defined at the commencement of each separate transaction) of certain due diligence matters pertaining to each prospective borrower's business. In connection with the foregoing, we will also assist you with the federal regulatory aspects of your receipt of equity enhancements (e.g., warrants and success fees) in connection with your financing transaction and the effect on,



and applicability to, your financing transaction of federal margin stock laws and regulations; however, if we are not your counsel with respect to general corporate compliance matters, we will not otherwise undertake any responsibility for assuring that, with respect to any of the financing transactions, you will be complying with applicable state or federal laws and regulations because of your legal or regulatory status or because of the general nature of your business, including, without limitation, capital adequacy requirements, lending limits, restrictions on affiliate and insider transactions, rules regarding interlocking boards of directors, governmental reporting and licensing requirements, and federal, state or local tax matters. Of course, you may limit or expand the scope of our representation from time to time, provided that any such expansion is agreed to by us.

Termination

You may terminate our representation at any time, with or without cause, by notifying us in writing. Your termination of our services will not affect your responsibility for payment of legal services rendered and out-of-pocket costs incurred before termination and in connection with an orderly transition of the matter.

We are subject to the codes of professional conduct for the jurisdictions in which we practice, which list several types of conduct or circumstances that require or allow us to withdraw from representing a client, including for example: conflict of interest with another client, misrepresentation or failure to disclose material facts, action contrary to our advice, and nonpayment of fees or costs. We try to identify in advance and discuss with our client

any situation which may lead to our withdrawal and, if withdrawal ever becomes necessary, we shall provide the client written notice of our withdrawal.

If we terminate the engagement, we will take reasonable steps to protect your interests in the specified matter, and you agree to take all steps necessary to free us of any obligation to perform further, including executing any documents necessary to perfect our withdrawal. If permission for withdrawal is required by a court or other adjudicator, we will promptly request such permission, and you agree not to oppose our request.

At your request, documents and property will be returned to you *upon receipt of payment for outstanding fees and costs*, although we reserve the right to copy any documents we deem appropriate. Our files and documents pertaining to this matter will be retained by the firm. For various reasons, including the minimization of unnecessary storage expenses, and consistent with applicable professional conduct rules, we reserve the right to destroy or otherwise dispose of any such documents or other materials retained by us without further notice to you.

Postengagement Matters

The client is engaging the firm to provide legal services in connection with a specific matter. After completion of the matter, changes may occur in the applicable laws or regulations that could impact the client's future rights and liabilities. Unless the client engages us after the completion of the matter to provide additional legal advice on issues arising from the matter, the firm has no continuing



obligation to advise the company on such issues or on future legal developments, including monitoring renewal or notice dates or similar deadlines that may arise with respect to the matter.

Entire Agreement

The engagement letter and these Standard Terms of Representation constitute the entire understanding and agreement between you and this firm regarding our representation of you in this matter. Unless otherwise agreed, they superseded any prior understanding and agreements, written or oral, and any billing requirements, outside counsel guidelines, or letters submitted to us. If any provision of the engagement letter or these Standard Terms of Representation is held by a court or other

arbitrator to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect. The engagement letter and these Standard Terms may be amended only by a written agreement between you and us. You should review this document carefully and contact us promptly with any questions. You should retain this document in your file.

Client Satisfaction

Our desire is to serve you and meet your legal needs. Client satisfaction is of utmost importance. You should feel free to discuss any aspect of our representation with the principal attorney or any other attorney with the firm. We welcome your input to ensure that our legal services meet your needs. We appreciate having the opportunity to be of service to you.

**CITY OF STARBASE, TEXAS
CONTRACT EXECUTION FORM**

Contract Title: ZacTax Engagement

Contract No. 26-001

AGREEMENT IDENTIFICATION

Parties	<p>CITY OF STARBASE, TEXAS A Type C general-law municipality 39046 LBJ Blvd, Unit 02 Starbase, TX 78521</p> <p style="text-align: center;"><i>and</i></p> <p>Zactax, a division of Eight 20 Consulting LLC (dba Zactax) 141 Ethan Drive Hudson Oaks, Texas 76087</p>
Effective Date	<p><i>(If left blank, the Effective Date is the date of the last signature below.)</i></p>
Contract Value (Not to Exceed)	\$54,000/year, at \$4,500/month
Initial Term	Month to month
Renewal	Renewed monthly subject to appropriations
Subject of Contract	Financial consulting services

RECITALS

WHEREAS, the City of Starbase, TX (“**City**”) and Zactax, a division of Eight 20 Consulting LLC (dba Zactax) (“**Vendor**”) wish to enter a contract for the purposes of financial consulting services]; and

WHEREAS, this Agreement was procured through the City’s Informal Competitive Process under City of Starbase Purchasing Policy, Section 4. The contract value is between \$3,000 and \$99,999, written quotes were sought or obtained, and supporting documentation is on file with the City Administrator; and

WHEREAS, Funds sufficient to cover the contract value identified above are budgeted and available in the General Fund, for Fiscal Year 2026, and available funds have been verified by Cayetana Polanco; and

WHEREAS, To the best of the City Administrator’s knowledge after reasonable inquiry, no City officer or employee with decision-making authority over this procurement has a conflict of interest with respect to Vendor under Tex. Local Gov’t Code Ch. 171 or Ch. 176; and

WHEREAS, This Agreement does not require a Certificate of Interested Parties (Form 1295) under Tex. Gov't Code § 2252.908;

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

AGREEMENT TERMS

- 1. Defined Terms.** For the purposes of this Agreement, the following definitions apply:
 - 1.1. "Agreement" – The Form, plus the City of Starbase Standard Governmental Addendum (attached hereto as Attachment 1), plus the vendor agreement or proposal (attached hereto as Attachment 2).
 - 1.2. "City" - The City of Starbase, Texas, a Type C general-law municipality
 - 1.3. "Parties" – the City and the Vendor
 - 1.4. "Vendor" - the Vendor identified above
- 2. Composition of Agreement.** This Agreement consists of three documents, each incorporated herein by reference and made a part hereof: (a) this Contract Execution Form; (b) the City of Starbase Standard Governmental Addendum (Attachment 1); and (c) the Vendor Agreement (Attachment 2). These documents are to be read and construed together as a single integrated agreement.
- 3. Order of Precedence.** In the event of any conflict among the documents comprising this Agreement, the following order of precedence applies: *First*, this Contract Execution Form; *Second* the City of Starbase Standard Governmental Addendum (Attachment 1); *Third* the Vendor Agreement (Attachment 2). No term in the Vendor Agreement (Attachment 2) that conflicts with this Form or with the Standard Governmental Addendum (Attachment 1) is effective as applied to the City, and any such conflicting term is void without the need for the City to specifically identify or redline it.
- 4. Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to its subject matter and supersedes all prior negotiations, representations, warranties, and understandings of the Parties, whether oral or written.
- 5. Execution of Attachments.** Execution of this Form by both Parties constitutes execution of the entire Agreement, including Attachment 1 and Attachment 2, without the need for separate signatures on either Attachment. Neither Attachment 1 nor Attachment 2 needs to be separately dated to be effective.
- 6. Effective Date.** This Agreement is effective as of the Effective Date stated in the Agreement Identification section above. If no Effective Date is stated, this Agreement is effective as of the date of the last signature in the Execution section below. Any effective date or commencement date stated in Attachment 2 is superseded by the Effective Date established by this Form.
- 7. Amendments.** This Agreement may be amended only by a written instrument signed by the Parties and expressly identified as an amendment to this Agreement by its Contract No. No amendment modifying the terms of Attachment 1 (City of Starbase Standard Governmental Addendum) is effective without prior written approval of the City Attorney.

[SIGNATURES ON FOLLOWING PAGE]

EXECUTION

By signing below, each Party agrees to be bound by all terms of this Agreement, including Attachment 1 and Attachment 2.

<p>CITY OF STARBASE, TEXAS</p> <p>Signed by: <u>Cayetana Polanco</u> Signed: <u>E77F1178C83C486...</u> _____ Cayetana Polanco City Administrator</p> <p>Date: <u>5/18/2026</u> _____</p>	<p>ZacTax</p> <p>Signed by: <u>Doug Martella</u> Signed: <u>4DB771A08BDE4A1...</u> _____ Name: <u>Doug Martella</u> _____ Title: <u>President</u> _____</p> <p>Date: <u>5/18/2026</u> _____</p>
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In Process

ATTACHMENT 1

STANDARD GOVERNMENTAL ADDENDUM

City of Starbase, Texas

Purpose. This Addendum is incorporated into and made part of the Agreement upon execution of the Contract Execution Form. In the event of any conflict between this Addendum and the Vendor Agreement (Attachment 2), this Addendum controls. By executing the Contract Execution Form, the Parties agree to be bound by all terms of this Addendum without the need for a separate signature hereon.

1. STATUTORY CERTIFICATIONS

- 1.1. **Certificate of Interested Parties.** This Section applies to a contract that: (a) requires an action or vote by the governing body of the City before the contract may be signed; (b) has a value of at least \$1 million; or (c) is for services that would require a person to register as a lobbyist under Tex. Gov't Code Ch. 305. Vendor must file a completed Certificate of Interested Parties (Texas Ethics Commission Form 1295) with the Texas Ethics Commission through the TEC's electronic filing system and provide the City with the TEC acknowledgment number before this Agreement is executed. The City shall not execute this Agreement until Form 1295 has been filed and the acknowledgment number has been received. The City Administrator shall file the City's acknowledgment with the TEC within 30 days of execution. Filing information is available at: <https://www.ethics.state.tx.us/filinginfo/1295/>
- 1.2. **Vendor Conflict of Interest Disclosure.** Vendor represents that it has determined whether it is required to file a Conflicts of Interest Questionnaire (CIQ) with the City's records administrator under Chapter 176. If Vendor has a business relationship with the City (as defined in § 176.001) and a local government officer has certain specified relationships with Vendor, Vendor must file a CIQ before execution of this Agreement and update such filing as required by law. CIQ form: <https://www.ethics.state.tx.us/data/forms/conflict/CIQ.pdf>
- 1.3. **No Local Government Officer Conflicts of Interest.** Vendor represents that, to the best of its knowledge, no local government officer of the City holds a substantial interest in Vendor or in any identified subcontractor, or, if such an interest exists, the required affidavit has been filed with the City Secretary and the officer has abstained from all related votes and decisions.
- 1.4. **No Boycott of Israel.** This Section applies to contracts with a total value of \$100,000 or more where Vendor has ten (10) or more full-time employees. If and only if applicable, Vendor certifies that it does not boycott Israel and will not boycott Israel during the term of this Agreement. For purposes of this certification, 'boycott Israel' has the meaning assigned by Tex. Gov't Code § 808.001.
- 1.5. **No Discrimination Against Firearm or Ammunition Industries.** This Section applies to contracts with a total value of \$100,000 or more where Vendor has ten (10) or more full-time employees. If and only if applicable, Vendor certifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association, and will not

Initials:

Initial DM	Initial CP
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- discriminate against a firearm entity or firearm trade association during the term of this Agreement.
- 1.6. **No Boycott of Energy Companies.** This Section applies to contracts with a total value of \$100,000 or more where Vendor has ten (10) or more full-time employees. If and only if applicable, Vendor certifies that it does not boycott energy companies and will not boycott energy companies during the term of this Agreement. For purposes of this certification, 'boycott energy company' and 'energy company' have the meanings assigned by Tex. Gov't Code § 809.001.
- 1.7. **Iran, Sudan, and Foreign Terrorist Organization Verification.** Vendor certifies that it is not a company identified on a list maintained by the Texas Comptroller of Public Accounts under Tex. Gov't Code §§ 806.051, 807.051, or 2252.153 as engaging in business activities with the government of Iran or Sudan, or with a foreign terrorist organization.
- 1.8. **Employment Eligibility Verification.** Vendor agrees to verify the employment eligibility of all employees assigned to perform work under this Agreement in Texas using the federal E-Verify system (or an equivalent) and to retain documentation of such verification. Vendor shall not knowingly employ individuals not authorized to work in the United States in connection with this Agreement.

2. GOVERNMENTAL RIGHTS AND LIMITATIONS

- 2.1. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of Texas, without regard to conflicts-of-laws principles. Exclusive venue for any legal action, claim, or proceeding arising out of or relating to this Agreement shall be in the state or federal courts located in Cameron County, Texas. Vendor consents to the personal jurisdiction of those courts and waives any objection to venue on grounds of inconvenient forum.
- 2.2. **Reservation of Sovereign and Governmental Immunity.** Nothing in this Agreement shall be construed as a waiver of the City's sovereign immunity, governmental immunity, or official immunity.
- 2.3. **No Binding Arbitration.** The City does not consent to binding arbitration of any dispute arising out of or relating to this Agreement. The Parties may agree to non-binding mediation as a precondition to litigation.
- 2.4. **Subject to Appropriations.** The City's financial obligations under this Agreement are contingent upon the annual appropriation of sufficient funds by the City Commission. No provision of this Agreement shall be construed to obligate the City to expend funds beyond the current fiscal year unless the City Commission has made a specific multi-year appropriation or has authorized a debt instrument in accordance with applicable law.
- 2.5. **Public Information Act.** Vendor acknowledges that the City is subject to the Texas Public Information Act (TPIA), and that records relating to this Agreement may be subject to mandatory public disclosure upon request. Vendor shall cooperate with the City in identifying and producing records in Vendor's possession that are responsive to TPIA requests, at no additional cost to the City.

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- 2.6. **No Indemnification by the City.** The City shall not indemnify, defend, or hold harmless Vendor or any third party for claims, losses, or liabilities arising out of or related to this Agreement or Vendor's performance. Any provision in the Vendor Agreement (Attachment 2) purporting to require the City to indemnify a vendor is void as against public policy and inconsistent with the Texas Tort Claims Act's framework governing governmental liability.
- 2.12 **Order of Precedence; Addendum Controls.** This Addendum is Attachment 1 to the City of Starbase Contract Execution Form. In the event of any conflict between this Addendum and the Vendor Agreement (Attachment 2), this Addendum controls.

In Process

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ATTACHMENT 2

May 8, 2026

City of Starbase
39046 LBJ Blvd, Unit 02
Starbase, TX 78521

City Administrator:

Zactax, a division of Eight 20 Consulting LLC (dba Zactax), is pleased to provide the City of Starbase (hereinafter “you” or “your”) with the professional services described below. This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this letter.

Scope of Engagement

The following table summarizes the services we will provide and how frequently we will provide them:

Service	Frequency
GL Integration and Automation (including Paylocity)	Ongoing
Budget Preparation, planning and assistance, including Projection Planning	Annual
Bank Reconciliations	Monthly
Monthly Financial Reporting	Monthly
EDC Finance (Type B EDC under Texas LGC C. 505), including separate GL and financial management policy.	Ongoing
Annual Audit Prep workpapers and correspondence with auditor	Annual
Investment Policy compliance reporting to City Commission Quarterly	Quarterly
Internal Control Recommendations and preparing implementation documents	Ongoing
Be available for any questions or to assist with any miscellaneous items/questions.	As needed

573-727-4642

www.govirtualcfo.com | www.zactax.com
doug@zactax.com

Initials:

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We will not perform management functions or make management decisions for you. However, we may provide advice, research materials and recommendations to assist your management in performing its functions and making decisions.

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for significant additional services may necessitate that we amend this letter or issue a separate engagement letter to reflect the obligations of both parties. In the absence of any other written communications from us documenting additional services, our services will be limited to and governed by the terms of this engagement letter.

The above services will be performed based on data and information you provide to us. We will not verify or audit this information. We will not audit, review, or compile your financial statements. Our engagement does not include any procedures designed to detect errors, fraud, or theft; therefore, our engagement cannot be relied upon to disclose them.

Timing of Engagement

This engagement letter outlines the terms of the engagement for the above services for one year (365 days) from contract execution, or upon the termination of the engagement, if earlier. This engagement letter will automatically be renewed on the day of contract execution, unless otherwise cancelled in writing by one or both parties, as set forth below. This agreement is prorated for the remainder of the fiscal year.

Fees and Billings

All services outlined in the Scope are payable at \$4,500 per month, as a lump sum, or a combination of both. Travel expenses, pre-approved by you, for all services (if any) will be billed separately. Invoices are due upon receipt or within 30 days of the date on the billing statement.

Either party reserves the right to suspend or terminate this engagement upon thirty (30) days' written notice to the other party. Notwithstanding the foregoing, we may withdraw from this engagement immediately, without further obligation, if you fail to comply with the material terms of this engagement letter, including failure to pay invoices when due. If our work is suspended or terminated, you agree that we will not be responsible for your failure to meet government and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, and for any other damages, including consequential damages.

If any portion of this agreement is deemed invalid or unenforceable, such finding shall not invalidate the remainder of the terms set forth in this engagement letter.

Limitation of Liability

Our aggregate liability to you for any claim arising out of or relating to this engagement, whether in contract, tort, or otherwise, shall not exceed the greater of the total fees paid by you to us under this engagement letter during the twelve (12) months preceding the event giving rise to the claim, or amounts recoverable under our insurance, subject to our policy limits. In no event shall either party be liable for indirect, incidental, consequential, special, or punitive damages, even if advised of the

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DM Initial
CP



possibility of such damages. Nothing in this paragraph limits liability for fraud, willful misconduct, or any liability that cannot lawfully be limited.

Governing Law and Venue

This engagement letter shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflict-of-laws principles. Venue for any dispute arising out of or relating to this engagement shall lie in the state or federal courts located in Cameron County, Texas, and each party consents to the jurisdiction of those courts.

We appreciate the opportunity to be of service to the City of Starbase. Please date and sign below and return a copy of the engagement letter to acknowledge your agreement with its terms.

Very truly yours.

Signed by:

4DB771A08BDE4A1...
Doug Martella
President

APPROVED:

In Process

Signed by:

E77F1178C83C486...
Cayetana Polanco
City Administrator, City of Starbase

5/18/2026
Date

S T A R B A S E

X

CITY COMMISSION AGENDA MEMO

TO: Mayor and City Commission

FROM: City Administrator

MEETING DATE: May 28, 2026

ITEM: I.1

SUMMARY The City Commission is requested to approve an agreement with Spencer Fane, LLP to provide City Attorney services and authorize the Mayor to execute the agreement and any necessary waiver.

BACKGROUND Spencer Fane, LLP has submitted an engagement letter dated May 22, 2026 (supplementing the General Engagement Letter dated April 30, 2026) to serve as City Attorney. Caleb Rush will serve as the designated City Attorney. The agreement incorporates the firm's Standard Terms of Engagement.

STAFF RECOMMENDATIONS It is recommended that the agreement be approved as presented and the Mayor authorized to execute the engagement letter and any necessary waiver.

MOTION: "I move to approve the agreement with Spencer Fane, LLP dated May 22, 2026 to provide City Attorney services and authorize the Mayor to execute the agreement and any necessary waiver on behalf of the City of Starbase."

ATTACHMENTS

- Engagement Letter from Spencer Fane, LLP dated May 22, 2026, including Standard Terms of Engagement for Legal Services (Starbase City Attorney Engagement Letter.pdf)



May 22, 2026

VIA ELECTRONIC MAIL

Bobby Peden, Mayor
City Commission Members
City of Starbase, Texas
39046 LBJ Boulevard, Unit 02
Starbase, Texas 78521

c/o Cayetana Polanco
City Administrator, City of Starbase, Texas
39046 LBJ Boulevard, Unit 02
Starbase, Texas 78521
cayetana.polanco@starbase.texas.gov

Re: Representation and Standard Terms of Engagement for Legal Services

Dear Mayor Peden, City Commissioners, and City Administrator Polanco,

Thank you for entrusting Spencer Fane with the City Attorney role for the City of Starbase (the "City"). We are excited to support your municipality as you continue to grow and flourish. This letter supplements our prior engagement letter dated April 30, 2026 (the "General Engagement Letter") and, as contemplated by the General Engagement Letter, formally adds City Attorney duties to the scope of our engagement with the City.

Scope of Engagement.

Spencer Fane is engaged to serve as City Attorney for the City of Starbase, Texas. City Attorney services include: attending City Commission meetings and providing legal counsel in connection with those meetings; reviewing and advising on proposed ordinances, resolutions, and official City actions; reviewing and advising on contracts, agreements, and other legal instruments to which the City is a party; advising on compliance with the Texas Open Meetings Act and the Texas Public Information Act; and providing general legal counsel to the City Commission, the City Administrator, and other designated City officials and staff. Legal work under this engagement may be performed by any duly licensed attorney on the Spencer Fane team serving the City. Certain discrete matters, including litigation and other projects that the parties mutually agree to designate, may, at the election of either party, be handled under a separate engagement letter.

City of Starbase
May 22, 2026
Page 2



Designated City Attorney.

Caleb Rush, a Spencer Fane attorney licensed in the State of Texas, will serve as the formally designated City Attorney, subject to formal appointment by the City Commission. Mr. Rush's contact information is as follows:

Caleb Rush
Partner, Spencer Fane LLP
5700 Granite Parkway Suite 650
Plano, TX 75024-6622
972.324.0319
crush@spencerfane.com

In the event the City Commission, in its discretion, takes formal action to designate as City Attorney a different Spencer Fane attorney, that designation shall be effective under the same terms of this engagement without requiring a new engagement letter.

Communications.

The City Attorney will correspond primarily with the City Administrator and the City Clerk on matters of official City business. The City Attorney is authorized to correspond directly with the Mayor, City Commission members, and City staff as the City Attorney deems necessary or appropriate in the course of providing legal services to the City.

Independent Contractor.

Spencer Fane and its attorneys serve as independent contractors to the City and are not employees of the City. The City does not exercise, and shall not be deemed to exercise, any control over the hiring, supervision, compensation, or benefits of any Spencer Fane attorney or employee. Neither Spencer Fane nor any of its attorneys exercises any control over the hiring, engagement, compensation, or benefits of any City employee or contractor.

Rates.

The hourly rates applicable to this engagement are as set forth in the General Engagement Letter, including the 20% discount Spencer Fane is pleased to extend to the City. Those rates and the annual adjustment mechanism described in the General Engagement Letter apply equally here.

City of Starbase
May 22, 2026
Page 3



Travel and Costs.

In-person attendance at City Commission meetings and other on-site engagements, if required, in Starbase will generate travel costs billed to the City in addition to attorney fees, consistent with the expense reimbursement provisions of the Standard Terms, unless otherwise agreed by the parties with respect to a specific trip. Spencer Fane anticipates that the majority of its work for the City will be able to be performed without incurring travel costs.

Scope Clarification; Conflicts.

Spencer Fane is engaged by, and represents, the City of Starbase. We do not represent SpaceX. The privileges and protections of the attorney-client relationship run solely to the City and to City personnel acting within the scope of their official duties, including duly designated official advisors to the City.

All conflict disclosures and waivers set forth in the General Engagement Letter or in any other letter between Spencer Fane and the City apply equally to this engagement and continue in full force. This includes, without limitation, any waivers the City has provided in connection with Spencer Fane's representation of SEMCO LLC, a manufacturer of industrial air ducts and air-moving equipment, the Starbase Economic Development Corporation, or other City-related entities.

Records and Transition.

Spencer Fane will coordinate with the City and any previous City counsel to ensure a smooth transition. The City owns all records, files, and documents created or maintained in connection with the City's legal representation, and Spencer Fane will help coordinate any required transfer of those files and will review past files as necessary.

Effective Date; Whole Agreement.

This letter is effective upon execution and return by the City, after necessary approval by the City Commission. Upon this letter becoming effective, this letter and the General Engagement Letter together will constitute the full agreement governing Spencer Fane's representation of the City, and this letter controls in the case of any conflict between this letter and the General Engagement Letter.

City of Starbase
May 22, 2026
Page 4



I have enclosed with this letter a copy of our Firm's *Standard Terms of Engagement for Legal Services*. These terms are an integral part of our agreement with the City. Please contact me promptly if there are any questions about the *Standard Terms* or about this letter. If this letter and terms of engagement are acceptable to the City, please sign below and return a copy to our office.

We could not be more excited to take on this role and to be a trusted legal partner as Starbase grows. Please do not hesitate to reach out at any time—we are here to support and ready to get to work.

Very truly yours,

Spencer Fane LLP

Caleb Rush
crush@spencerfane.com

In Process
[SIGNATURE PAGE TO FOLLOW]

City of Starbase
May 22, 2026
Page 5



I have read the foregoing letter and the *Standard Terms of Engagement*, and I agree to the terms set forth therein on behalf of the City of Starbase, Texas.

CITY OF STARBASE, TEXAS

Dated: _____, 2026

By: _____
Name: Bobby Peden
Title: Mayor

Dated: _____, 2026

By: _____
Name: Cayetana Polanco
Title: City Administrator

In Progress



This statement sets forth the **standard terms of our engagement** as your lawyers.

The Scope of Our Work

You should have a clear understanding of the legal services we will provide. Any questions that you have should be dealt with promptly.

We will at all times act on your behalf to the best of our ability. Any expressions on our part concerning the outcome of your legal matters are expressions of our best professional judgment, but are not guarantees. Such opinions are necessarily limited to our knowledge of the facts and are based on the state of the law at the time they are expressed and should not be construed as a promise or guarantee.

It is our policy that, for conflict of interest purposes, the person or entity that we represent is the person or entity that is identified in our engagement letter and does not include any affiliates of such person or entity. For example, if you are a corporation or partnership, our representation does not extend to any parents, subsidiaries, employees, officers, directors, shareholders or partners of the corporation or partnership, or commonly owned corporations or partnerships. If you are a trade association, our representation does not extend to any members of the trade association, unless such members undertake individual arrangements with us. If you are an individual, our representation does not include your spouse, siblings, or other family members. In addition, the advice and communications which we render on your behalf are not intended to be

disseminated to or relied upon by anyone else without our written consent.

It is also our policy that, for conflict of interest purposes, the attorney-client relationship will be considered terminated upon [our completion of the services that you have retained us to perform] or [our sending you over final statement or services rendered in the matter]. If you later retain us to perform further or additional services, our attorney-client relationship will be revived subject to these terms of engagement, as they may be supplemented at that time.

Who Will Provide the Legal Services

Customarily, each client of the firm is served by a principal attorney contact. The principal attorney should be someone in whom you have confidence and with whom you enjoy working. You are free to request a change of principal attorney at any time. Subject to the supervisory role of the principal attorney, your work or parts of it may be performed by other lawyers and legal assistants in the firm. Such delegation may be for the purpose of involving lawyers or legal assistants with particular skills or experience in a given area or for the purpose of providing services in the most efficient and timely basis.

Client Responsibilities

You agree to pay our statements for services and expenses as provided below. In addition, you agree to be candid and cooperative with us and keep us informed with complete and accurate factual information, documents, communications, and other material relevant to the subject matter of our representation or otherwise reasonably requested by us. You



also agree to make any necessary business and strategy decisions in a timely manner.

Because we need to be able to contact you at all times regarding the representation, you agree to inform us, in writing, of any changes in your name, address, telephone number, contact person, email address, state of incorporation, and other relevant information regarding you or your business. Whenever we need instructions or authorization to proceed with legal work on your behalf, we will contact you at the most recent business address we have received. If you affiliate with, acquire, are acquired by, or merge with another client, you will provide us with sufficient notice to permit us to withdraw as your lawyers if we determine that such affiliation, acquisition, or merger creates a conflict of interest, or that it is not in the best interests of the firm to represent the new entity.

From time to time, either at the outset or during the course of our representation, we may express opinions or beliefs concerning the matter or various courses of action and the results that might be anticipated. Any such statement made by any lawyer of our firm is an expression of opinion only, based on information available to us at the time, and should not be construed by you as the promise or guarantee.

How Fees Will Be Set

Our fees for legal services are customarily determined on the basis of an hourly rate. Each of our lawyers and legal assistants has an hourly rate, as determined by the firm's management, consistent with the experience, reputation, and abilities of the lawyers and

legal assistants performing the services. The hourly rates of each of our lawyers and legal assistants are reviewed annually, and, if appropriate, are adjusted to reflect current levels of legal experience, reputation, ability, costs, and other factors. We will keep accurate records of the time we devote to your work.

Occasionally we are requested to estimate the amount of fees and costs likely to be incurred in connection with a particular matter. When requested, we will attempt to furnish such an estimate, based upon our past experience and best professional judgment, but with an understanding that such an estimate is not a maximum or fixed-fee quotation and that fees and costs are not usually predictable. It is expressly understood that your obligation to pay our fees and costs is in no way contingent on the outcome of this matter.

For certain well-defined services (for example, a simple business incorporation), we may quote a flat fee and the scope of the services to be provided. It is our general policy not to accept representation on a flat-fee basis except in defined-service areas or pursuant to a special arrangement tailored to the needs of a particular client. Likewise, on rare occasions we may perform work on a contingency fee or other specially deferred fee relationship. In all such situations, the flat-fee or contingency fee arrangement will be expressed in a letter from us setting forth the terms and scope of the services to be provided, and your payment obligations.

Conflicts



We represent many other companies and individuals. It is possible that during the time that we are representing you, some of our present or future clients will have disputes or transactions with you. You agree that we may continue to represent, or may undertake in the future to represent, existing or new clients in any matter that is not substantially related to our work for you even if the interests of such clients in those other matters are directly adverse to your interests, including in litigation. We agree, however, that the above consent shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a nonpublic nature that if known to such other client, could be used in any such other matter by such client to your material disadvantage. In similar engagement letters with many of our other clients, we have asked for similar agreements to preserve our ability to represent you.

In addition, you agree that we may disclose the fact of our representation of you, without disclosing the nature of such representation, to other current or future clients that may be adverse to you for the purpose of obtaining such other clients' consent to any conflict of interest that may be presented by our representation of you and such other client. We will not disclose to the other client any confidential information pertaining to our representation of you.

From time to time we may have discussions with other lawyers for the purpose of considering them joining our firm. During the course of those discussions it may be necessary to disclose your identity as a client or fee and billing information relating to our

representation of you. Such disclosure shall be subject to the confidentiality rules in the applicable codes of professional conduct and our confidentiality agreement with such other lawyers. You agree that we may disclose such limited information for these purposes.

Representation of Lawyers

We sometimes represent lawyers and law firms, and we are sometimes represented by other lawyers and law firms in matters unrelated to our representation of you. Because we do not believe these representations will materially limit our responsibilities to you or will otherwise adversely affect our representation of you, we do not believe these representations present conflicts of interest, including where any such firm also represents a client whose interests are opposed to yours in either a litigation or transactional setting. If, however, you have any concerns about whether such a relationship exists between this firm and the law firm that represents a client whose interests are adverse to yours in connection with this representation, please ask us whether there is any such relationship and we will attempt to address your concerns. Otherwise, you agree that we may represent or be represented by lawyers or law firms that also represent clients whose interests are adverse to yours.

Out-of-Pocket Expenses

Although substantial expenses incurred on a client's behalf will be sent to the client for direct payment, we often incur and pay on behalf of our clients a variety of smaller out-of-pocket costs arising in connection with legal services. These include charges made by government



agencies and service vendors. Some typical costs are certain telephone charges; express delivery charges; printing and reproduction costs; filing fees; and travel expenses. We also charge for computerized legal research either at a rate equal to that charged by our vendor or based upon negotiated volume discounts. We also charge for our actual costs paid to vendors for processing and storing data that must be collected, analyzed and sometimes produced as a part of our representation of a client in transactional, litigation or other matters. We incur outside costs as agents for our clients and incur internal expenses on behalf of our clients, who agree that these costs will be paid on a regular basis.

Billing Arrangements and Terms of Payment

We will bill you on a regular basis, normally monthly, for both fees and disbursements. You agree to make payment within thirty days of receiving our statement. We will give you prompt notice if your account becomes delinquent. If the delinquency continues and you do not arrange satisfactory payment terms, we may withdraw from the representation and may pursue collection of your account.

Retainer and Trust Deposits

New clients of the firm are commonly asked to deposit a retainer with the firm. Two types of retainers are used most frequently. A monthly retainer is an amount billed and paid apart from the usual invoices for services rendered. Part or all of the retainer then is credited to the next invoice. A second type of retainer is a long-term deposit. Unless otherwise agreed, this retainer

deposit will be credited toward your unpaid invoices, if any, at the conclusion of services.

At the conclusion of our legal representation or at such time as the deposit is unnecessary or is appropriately reduced, the remaining balance or an appropriate part of it will be returned to you. If the retainer deposit proves insufficient to cover current expenses and fees on at least a two-month basis, it may have to be increased. Deposits which are received to cover specific items will be disbursed as provided in our agreement with you, and you will be notified from time to time of the amounts applied or withdrawn. Any amount remaining after disbursement will be returned to you. All trust deposits we receive from you will be placed in a trust account for your benefit. Unless special arrangements are made, interest earned on the trust account is paid to a charitable foundation established in accordance with court rules.

Federally Regulated Financial Institutions

If you are a federally regulated financial institution, our engagement, unless expressly described otherwise in the accompanying engagement letter, will be limited to assisting you with the structuring, negotiation, documenting and closing of your financing transactions, and conducting a legal review (the scope of which will be defined at the commencement of each separate transaction) of certain due diligence matters pertaining to each prospective borrower's business. In connection with the foregoing, we will also assist you with the federal regulatory aspects of your receipt of equity enhancements (e.g., warrants and success fees) in connection with your financing transaction and the effect on,



and applicability to, your financing transaction of federal margin stock laws and regulations; however, if we are not your counsel with respect to general corporate compliance matters, we will not otherwise undertake any responsibility for assuring that, with respect to any of the financing transactions, you will be complying with applicable state or federal laws and regulations because of your legal or regulatory status or because of the general nature of your business, including, without limitation, capital adequacy requirements, lending limits, restrictions on affiliate and insider transactions, rules regarding interlocking boards of directors, governmental reporting and licensing requirements, and federal, state or local tax matters. Of course, you may limit or expand the scope of our representation from time to time, provided that any such expansion is agreed to by us.

Termination

You may terminate our representation at any time, with or without cause, by notifying us in writing. Your termination of our services will not affect your responsibility for payment of legal services rendered and out-of-pocket costs incurred before termination and in connection with an orderly transition of the matter.

We are subject to the codes of professional conduct for the jurisdictions in which we practice, which list several types of conduct or circumstances that require or allow us to withdraw from representing a client, including for example: conflict of interest with another client, misrepresentation or failure to disclose material facts, action contrary to our advice, and nonpayment of fees or costs. We try to identify in advance and discuss with our client

any situation which may lead to our withdrawal and, if withdrawal ever becomes necessary, we shall provide the client written notice of our withdrawal.

If we terminate the engagement, we will take reasonable steps to protect your interests in the specified matter, and you agree to take all steps necessary to free us of any obligation to perform further, including executing any documents necessary to perfect our withdrawal. If permission for withdrawal is required by a court or other adjudicator, we will promptly request such permission, and you agree not to oppose our request.

At your request, documents and property will be returned to you *upon receipt of payment for outstanding fees and costs*, although we reserve the right to copy any documents we deem appropriate. Our files and documents pertaining to this matter will be retained by the firm. For various reasons, including the minimization of unnecessary storage expenses, and consistent with applicable professional conduct rules, we reserve the right to destroy or otherwise dispose of any such documents or other materials retained by us without further notice to you.

Postengagement Matters

The client is engaging the firm to provide legal services in connection with a specific matter. After completion of the matter, changes may occur in the applicable laws or regulations that could impact the client's future rights and liabilities. Unless the client engages us after the completion of the matter to provide additional legal advice on issues arising from the matter, the firm has no continuing



obligation to advise the company on such issues or on future legal developments, including monitoring renewal or notice dates or similar deadlines that may arise with respect to the matter.

Entire Agreement

The engagement letter and these Standard Terms of Representation constitute the entire understanding and agreement between you and this firm regarding our representation of you in this matter. Unless otherwise agreed, they superseded any prior understanding and agreements, written or oral, and any billing requirements, outside counsel guidelines, or letters submitted to us. If any provision of the engagement letter or these Standard Terms of Representation is held by a court or other

arbitrator to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect. The engagement letter and these Standard Terms may be amended only by a written agreement between you and us. You should review this document carefully and contact us promptly with any questions. You should retain this document in your file.

Client Satisfaction

Our desire is to serve you and meet your legal needs. Client satisfaction is of utmost importance. You should feel free to discuss any aspect of our representation with the principal attorney or any other attorney with the firm. We welcome your input to ensure that our legal services meet your needs. We appreciate having the opportunity to be of service to you.

S T A R B A S E

X

CITY COMMISSION AGENDA MEMO

TO: Mayor and City Commission

FROM: City Administrator

MEETING DATE: May 28, 2026

ITEM: I.2

SUMMARY The City Commission is requested to approve the Starbase Economic Development Corporation contracting with Max Levin as Executive Director and authorize the City Administrator to enter into a contract with the EDC to determine contract details.

BACKGROUND On May 16, 2026, the Board of Directors of the Starbase Economic Development Corporation adopted Resolution No. 2026-04 appointing Max Levin as Executive Director. Max Levin is a City employee who will perform EDC functions and report administratively to the City Administrator.

The resolution authorizes the EDC Board President to negotiate and execute necessary agreements, including an administrative services agreement with the City.

STAFF RECOMMENDATIONS It is recommended that the contracting arrangement be approved as presented and the City Administrator authorized to enter into the contract with the EDC.

MOTION: “I move to approve the Starbase Economic Development Corporation contracting with Max Levin as Executive Director and authorize the City Administrator to enter into a contract with the EDC to determine contract details.”

ATTACHMENTS

- Starbase Economic Development Corporation Resolution No. 2026-04 – Appointment of Executive Director

STARBASE ECONOMIC DEVELOPMENT CORPORATION

RESOLUTION NO. 2026-04

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE STARBASE ECONOMIC DEVELOPMENT CORPORATION APPOINTING THE EXECUTIVE DIRECTOR

WHEREAS, Article III, Section 3 of the Bylaws establishes the position of Executive Director of the Corporation, who shall have general and active management of the business of the Corporation and shall serve as a non-voting ex officio member of the Board; and

WHEREAS, the City of Starbase has employed Max Levin to serve in the role of Executive Director of the Corporation, with the Executive Director being a City employee dedicated to performing Corporation functions and reporting administratively to the City Administrator, with policy oversight and coordination through the Board; and

WHEREAS, the Board has reviewed the qualifications, professional background, and experience of Max Levin and finds him qualified to serve as Executive Director; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE STARBASE ECONOMIC DEVELOPMENT CORPORATION:

Section 1. The Board hereby appoints Max Levin as the Executive Director of the Corporation, effective immediately, with all of the rights, responsibilities, duties, and authorities set forth in the Bylaws and as may be directed by the Board from time to time.

Section 2. The Board hereby authorizes the Board President to negotiate and execute, on behalf of the Corporation, such agreements as the Board President determines are necessary or appropriate to effectuate the employment of the Executive Director on substantially the terms set forth in Exhibit A, including but not limited to:

- (a) An employment agreement between the Corporation and the Executive Director documenting the terms of his service as Executive Director;
- (b) An administrative services or similar agreement between the Corporation and the City of Starbase providing for the City to employ the Executive Director and furnish administrative services to the Corporation for a reasonable fee; and
- (c) Such other instruments, documents, or agreements as the Board President deems necessary or advisable to carry out the intent of this Resolution.

Section 3. The Executive Director shall serve as a non-voting ex officio member of the Board in accordance with Article III, Section 3 of the Bylaws.

Section 4. The Executive Director is authorized and directed to attend an economic development training seminar that satisfies the requirements of Section 501.074 of the Texas Local Government Code within ninety (90) days of the date of this Resolution, and at least once every two years thereafter, and to provide documentation of completion to the Board and to the City.

Section 5. The Executive Director is authorized to take such actions as are necessary or appropriate to commence the operations of the Corporation, including engaging with bond counsel, financial advisors, depositories, and other professional service providers, in each case subject to subsequent Board approval and any required approval of the City Commission if required by the Bylaws and applicable law.

PASSED AND APPROVED this 16th day of May, 2026, by the following vote of the Board of Directors of the Starbase Economic Development Corporation:

AYES:	<u>6</u>
NAYS:	<u>0</u>
ABSENT:	<u>1</u>
ABSTAIN:	<u>0</u>

Process

STARBASE ECONOMIC DEVELOPMENT CORPORATION

Signed by: 
 By: _____
 Bobby Peden, President

ATTEST:
 Signed by: 

 Camille Bagnall, Secretary

S T A R B A S E

X

CITY COMMISSION AGENDA MEMO

TO: Mayor and City Commission

FROM: City Administrator

MEETING DATE: May 28, 2026

ITEM: I.3

SUMMARY The City Commission is requested to authorize the Mayor to award the depository banking services contract following final interviews with the two RFP respondents.

BACKGROUND The City issued a Request for Proposals for depository banking services. Two banks submitted responsive proposals: JP Morgan Chase and Lone Star National Bank. Upon initial scoring, the two proposals were extremely close, differing by only two points. Both institutions presented very strong qualifications and offerings.

Because the proposals are so closely matched, staff plans to conduct final interviews and platform demonstrations with both banks next week to evaluate their systems in greater detail and address remaining questions. We expect to complete this process within the next week.

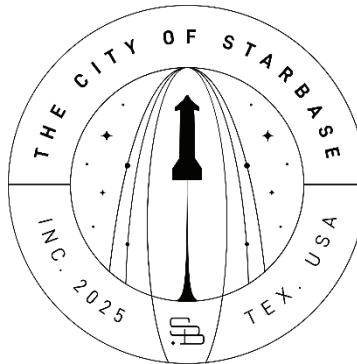
STAFF RECOMMENDATIONS It is recommended that the Mayor be authorized to award the depository services contract to the bank that performs best during the final interviews and best meets the City's long-term needs.

MOTION: "I move to authorize the Mayor to award the depository banking services contract to the most qualified respondent following interviews and platform demonstrations with JP Morgan Chase and Lone Star National Bank, and to direct the City Administrator to negotiate and execute the final contract documents on behalf of the City of Starbase."

ATTACHMENTS:

- Depository Services RFP Evaluation Summary

In Process



CITY OF STARBASE, TEXAS

REQUEST FOR PROPOSALS FOR DEPOSITORY SERVICES

In Progress

Proposal Due:

May, 22, 2026 @ 9:00 a.m. C.T

CITY OF STARBASE, TEXAS

REQUEST FOR PROPOSALS DEPOSITORY SERVICES

GENERAL INFORMATION

The City of Starbase, Texas ("City"), a newly created municipal corporation in Cameron County, Texas, is seeking proposals from eligible and qualified financial institutions ("Banks") to serve as the bank depository and to provide the depository services described below. The services provided will be in accordance with this Request for Proposal ("RFP"), duly executed between the City and the selected Bank.

This RFP serves as the official proposal form for the depository services agreement. It includes numerous proposal forms, including but not limited to bank services pricing information, questionnaires, certification forms, and requests for additional information. The depository services contract shall include this RFP and the Bank's response to the RFP. All points outlined and materials requested must be incorporated into the Bank's proposal to be considered for evaluation. Where specified, attachments are acceptable to provide the requested information.

In accordance with the Texas Local Government Code 105.031(a), collateral must be in place five (5) days before services commence, as governed by Public Funds Collateral Act, Texas Government Code Chapter 2257.

The City plans to manage cash (and may manage investments) in a manner responsive to the public trust and consistent with state and local law. These agreements will not cover investment transaction activities other than safekeeping services.

Depository services are crucial to the City's overall cash management program, and the Bank's approach to relationship management is critical to the success of this relationship. The Bank's knowledge of and experience working with the public sector will be a key factor in the decision. It is important that proposers understand the following primary objectives for depository services:

1. To seek a Bank that is both capable of providing comprehensive depository services, and willing to be attentive to the City's money matters;
2. To maximize the total dollars earned by the City on account balances in order to be prudent and effective custodians of the taxpayers' financial resources;

3. To maintain a good working relationship with the depository Bank;
4. To adequately compensate the depository Bank for service provided and to allow a reasonable profit to be earned, subject to competitive forces in the marketplace;
5. To secure deposits above the FDIC insured limit with pledged collateral having a market value of at least 103% of the deposits, with such collateral held by an independent third-party; and
6. To fully comply with the requirements of Texas Local Government Code Chapter 105, as amended.

The goal of the RFP process is to select a Bank capable of providing the necessary depository services to meet these objectives in a cost-effective manner.

The City will not reimburse responding firms for any expenses incurred in preparing proposals, clarification of a response, and/or oral presentations which may be, at its discretion, required by the City. Nor will the City pay any costs associated with the procurement of a contract for depository services.

To be considered, proposals must be received by the City Clerk by **9:00 a.m. CST on May 22, 2026**.

During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City reserves the right to negotiate all elements of the proposal to ensure that the best possible consideration be afforded to all. The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. The City also reserves the right to reject any or all proposals submitted and to re-solicit for services.

Submission of a proposal indicates acceptance by the proposer of the conditions contained in this RFP, unless clearly and specifically noted in the submitted proposal and confirmed in the contract between the City and the selected proposer.

THE PROPOSER MUST FOLLOW ALL INSTRUCTIONS IN THIS RFP TO BE CONSIDERED.

SCOPE OF WORK AND SPECIFICATIONS

MINIMUM QUALIFICATIONS FOR SUBMITTING A PROPOSAL

The following conditions must be met at the time services are provided to the City:

- Charter: Proposer must be a Federal or Texas Chartered Bank or other institution lawfully authorized to conduct business in the state of Texas.
- Location: Proposer must have a physical location within Cameron County, Texas; which may include a branch location of a larger banking institution.
- Collateral: Proposer must have identifiable collateral which meets the requirements of Texas law for public depositories, and which is sufficient to always cover 103% of the combined balance (including any accrued interest on the combined balance) the City maintains in the Bank, less the insurance amount provided by the Federal Deposit Insurance Corporation. Collateral will be maintained in an independent third-party custodian approved by the City.
- City Liaison: If selected, proposer must assign a senior level liaison to the City.

SPECIFIC TERMS AND CONDITIONS

- In Process
- A.** The depository services contract shall become effective from date of acceptance and approval by the City and shall remain in full force and effect with firm fixed prices for a term of five (5) years. The City anticipates the term to begin in May or June 2026.
 - B.** To provide for transition to a new Bank at the end of the five-year contract term, the depository services contract shall be extended for up to one-hundred and eighty (180) days upon the City's request.
 - C.** Either party may terminate the depository services contract at any time upon ninety (90) days written notice. If, through any cause, the Bank fails to fulfill its obligations under the depository services contract, or if the Bank violates any of the terms and conditions of the depository services contract, the City has the right to terminate the depository services contract by giving the Bank five (5) days written notice. The Bank will be compensated for the services satisfactorily performed before the termination date. No term or provision of the depository services contract shall be construed to relieve the Bank of liability to the City for damages sustained by the City because of any breach of contract. The City may withhold payments to the Bank until the exact amount of damages due the City is

determined and paid.

- D.** The depository services contract cannot be transferred or assigned to another party without the discretionary written consent of the City. During the term of the depository services contract, all reasonable direct expenses incurred by the City as a direct result of a change in ownership or management of the Bank or because of a merger shall be reimbursed by the Bank to the City.
- E.** Notwithstanding any other provision of the depository services contract, which may be to the contrary, the depository services contract and the prospective rights and obligations of the parties hereunder shall remain in full force and effect and shall not be otherwise affected by a merger of the Bank.
- F.** The successful Bank shall be liable for all damages incurred while in the performance of services pursuant to this RFP.
- G.** The depository services contract shall be governed in all respects by the laws of the State of Texas. The parties agree that performance and all matters related thereto shall be in a state court of competent jurisdiction in Cameron County, Texas, and further agree that neither party will seek to remove such litigation to the federal court system by application of conflict of laws or any other removal process to any Federal Court or court not in Texas.
- H.** The selected Bank shall prepare a final binder(s) including this RFP, the Bank's response to the RFP, all relevant contracts, agreements, and other documents executed by the parties to evidence the depository services contract and ancillary agreements. The final binder(s) shall be delivered by the Bank to the City within thirty (30) days of finalizing such documents.

DEPOSITORY SERVICES AND REQUIREMENTS

A. General Description of Services

The following identifies the City's service requirements. Please attach copies of sample reports and separate agreements that apply to each service, if applicable.

1. Internet-based On-line Reporting System

The City requires an internet based on-line reporting system that provides the daily ending ledger and collected balances from the prior day for all

accounts, one- and two-day float amounts, a detail of the prior day's debit and credit transactions, and current day debit and credit transactions.

2. Internet-based On-line Transaction Initiation

The internet banking system must allow for the initiation and verification of Fed wire transfers, ACH transactions, intra-bank transfers, and stop payments. Wire and ACH transfers will include repetitive and non-repetitive transactions. The system must include user defined security requirements.

The option to initiate wire transfers, ACH transactions, intra-bank transfers, and stop payments via telephone or by email (including the security of secondary telephone verification) is required in the event of emergency operations.

3. Incoming Wire Transfers

The City shall receive immediate credit for all incoming wire transfers. The Bank shall give both ledger and collected credit for incoming wire transfers on the day of receipt regardless of the time the Bank receives the transfer through the Fed wire system.

4. Deposit Processing

The processing of all cash and check deposits shall include encoding service, same day credit for deposits presented during business hours, clearing returned items twice, and return of stamped duplicate deposit slips to the City within one business day of the deposit.

The Bank will notify the City as soon as possible about any deposit adjustments and will e-mail to the City a copy of deposit adjustments, including supporting detail, prior to posting.

5. Bank Statements

The City requires a bank statement for each account within five (5) business days after the close of the calendar month. All paid items should be listed in serial sequence. Statements should include transaction activity through the last day of the period. For each account, the Bank shall furnish imaged copies of checks and deposits in numerical order. These statements must be available to the City via secure internet link.

6. Account Analysis Statements

The City requires a monthly account analysis statement which must be available to the City via secure internet link. The account analysis statement should report average ledger balances, average collected balances, legal reserve requirement, investable balances, earnings credit rate and amount, and balances required to offset fees. Each billable service should be listed and should include volume, unit price, and total price. All fees for which the Bank expects compensation should be included in the account analysis statement.

7. Positive Pay

The City requires positive pay with a three-way match (check number, payee, and check amount). A payment file with the required matching information will be uploaded to the Bank via secure internet link.

8. ACH Payments

The City requires the ability to pay its vendors via ACH by uploading a file to the Bank via secure internet link.

9. Merchant Services/Credit Card Services

The City may accept credit card payments at Municipal Court or Development Services/Permits in the future.

10. Overdrafts

The City makes every effort to avoid an overdraft position on any of its accounts. However, in the event a check or checks are presented for payment on any City account with insufficient funds, the City will require the Bank to pay said check and promptly notify the City's designated representative(s) of the overdraft position. The City agrees to cover the overdraft within a maximum of one (1) business day. The City will expect the Bank to view all City accounts together for applying charges on overdrawn collected balances.

11. Investments

The City has adopted an Investment Policy and may manage its own investment portfolio and therefore reserves the right to withdraw, from time to time, any amount of funds on deposit in any City account for investment in accordance with the City's Investment Policy.

12. Plaid integration

The City requires the bank to support Plaid integration for account connectivity and transaction data access; enabling seamless connection between bank accounts to various software and applications.

13. User Interface and Experience

The City requires a modern, intuitive, and highly responsive user interface for both desktop and mobile platforms. The internet banking platform must enable users to navigate seamlessly and complete all basic and routine user journeys (such as viewing balances, initiating payments, uploading files, generating reports, and managing approvals) without requiring assistance from Bank support.

B. Exceptions

1. Exceptions, conditions, or qualifications to the provisions of the City's specifications or requirements must be clearly identified and included in the submitted proposal.
2. An explanation as to why the exception, condition, or qualification is necessary should be provided. Any alternate language proposed by the respondent should be clearly stated in the proposal submission.

C. Fees for Services Provided

1. The City desires an equitable reimbursement arrangement for depository services and prefers a fee basis for services provided with an offsetting earnings credit on available balances. The monthly account analysis statement will be considered an invoice and monitored accordingly. The Bank shall calculate the total monthly service costs for all accounts and the total monthly earnings credit for all accounts on the account analysis statement. Credit shall be given to the City based on the group of account balances rather than on any single account balance. The City prefers an annual earnings credit settlement where excess earnings credits may be carried forward from month-to-month up until the annual settlement versus a monthly earnings credit settlement.
2. **Proposal Form I (Appendix 1)** lists all depository services presently anticipated. Should the City request any service not presently included on Proposal Form I, the Bank's unit price for the service shall not exceed the Bank's price published at the time said service is added.

3. Please provide an explanation of the policy and methodology used in setting rates paid on interest bearing accounts including the basis for the rate calculation (T-Bill, Fed Funds, etc.) and the frequency of rate changes.

D. Other Stipulations

1. The Bank shall notify the City in writing within ten (10) days of any changes in Federal or State regulations or laws that would thereafter affect the depository agreement.
2. The Bank shall notify the City of any new services that become available during the contract period.
3. The Bank's records relating to City accounts shall be open to review by authorized City representatives. With prior written approval from the City, the City's appointed independent auditors may review the Bank's records relating to all City accounts. Any review of these records will be conducted during normal business hours. Access will not be unreasonably requested, nor should it be unreasonably withheld.
4. The Bank shall respond timely to confirmation requests made by the City's appointed independent auditors.
5. The Bank's records of City transactions will be considered public records pursuant to the *Texas Public Information Act*.
6. The City requires a review meeting with the Bank's designated liaison at least once annually, or as requested, to evaluate the working relationship between the City and the Bank and to address any problems that may arise.
7. The Bank shall be responsible for training and communicating the terms of this contract to its employees.

ACCOUNT INFORMATION

- A. The City shall initially establish the bank accounts listed in Exhibit A, Account Information. Other accounts may be set up during the term of the contract.
- B. All accounts require daily balance reporting through an internet banking system. Balance information should be available each morning no later than 8:00 a.m.
- C. Through the term of the depository services contract, the City reserves the right to open or close any number or type of accounts as it deems necessary. Fees proposed shall be fixed for the entire contract period except for increases imposed by Federal or State regulatory agencies. Any additional services requested by the City later shall be priced at a mutually agreed upon fee; however, the Bank's unit price for any service

shall not exceed the Bank's price published at the time said service is added.

COLLATERAL REQUIREMENTS

A. Custodian

The Bank shall deposit with a third-party securities custodian pledged to secure deposits of the City. A custodian must meet the requirements of the Texas Public Funds Collateral Act, V.T.C.A., Government Code Ch. 2257 as amended ("Public Funds Collateral Act"), and shall be approved by the City. The City prefers the custodian to be either the Federal Reserve Bank, a branch of the Federal Reserve Bank, or a Federal Home Loan Bank. It is understood and agreed that the City will have a first and prior lien upon all securities that are pledged to City.

B. Collateral

The City's daily combined collected balances on deposit with the Bank must be secured with eligible securities authorized by the Public Funds Collateral Act and the City's Investment Policy. As security for the deposits of the City, the Bank shall pledge to the City securities with a market value equal to 103% of the combined balance (including any accrued interest on the combined balance) the City maintains in the Bank, less the insurance amount provided by the Federal Deposit Insurance Corporation (FDIC).

The market value shall be the market value of only the principal portion of the pledged securities. If the market value of the securities pledged falls below the required collateral level, the Bank must pledge additional securities no later than the end of the next succeeding business day to increase the market value of pledged securities to the required collateral level.

C. Tri-Party Safekeeping (Depository Pledge) Agreement

A tri-party safekeeping agreement entered by the City, the Bank, and the custodian, shall define the City's rights to collateral in case of default, bankruptcy, or closing of the Bank and shall establish a perfected security interest in the pledged securities.

The safekeeping agreement will require the custodian to:

1. Upon receipt of a pledged security, immediately identify on its books and records, by book entry or another method, the pledge of the security to the City;
2. Upon receipt of a pledged security, promptly issue and deliver to the City a safekeeping receipt identifying and evidencing receipt of the pledged security;
3. Hold all pledged securities in an account naming the City as the customer;

4. Within five (5) business days following the last business day of each month, provide or make available on-line directly to the City a report of all securities pledged to the City as of the last business day of each calendar month, which report shall include the complete security description including coupon rate, maturity date, par value, and current market value of each pledged security, and the total par and market values of all securities pledged to the City; and
5. Prohibit the release of any pledged securities without the written approval of the City.

D. Release or Substitution of Collateral

No collateral pledged to the City may be withdrawn, released, or substituted without the prior written consent of the City's designated representative(s). The City will release collateral only if it is satisfied that such collateral is not needed as security for the City's deposits.

E. Certification and Delivery of Collateral

In accordance with State law, the Board of Directors of the selected Bank will be required to provide a resolution of certification approving the commitment and delivery of the collateral to the safekeeping institution not later than five (5) days before the commencement of the contract period.

EVALUATION

A. Evaluation Criteria

Award of the contract shall be made to the Bank whose proposal is considered the most advantageous and best value for the City, taking into consideration the Bank's knowledge and experience in municipal banking and the relative importance of the evaluation criteria listed below.

Evaluation Criteria:

- The terms and conditions for the performance of depository services, including the type and cost of services to be provided to the City.
- The cost-effectiveness of the depository services as reflected in the estimated cost of depository services and the earnings credit.
- The Bank's ability to provide the depository services requested by the City (the comprehensiveness of banking services available).

- The Bank's ability to provide the City with prompt, flexible, and efficient services. Considerations may include an assessment of the adequacy of the organization, facilities, equipment, and personnel, as these may impact the Bank's ability to provide prompt and efficient services.
- The Bank's financial viability.
- The Bank's experience and success in providing depository services to similar public entities as substantiated by references provided.
- The Bank's customer service as substantiated by references provided.
- The location of the nearest branch of the Bank.
- The services offered at the nearest branch of the Bank.
- The location of the Bank's lockbox processing center.
- The Bank's experience working with other cities or governmental units.

B. Proposal Review

Your response to this RFP will be reviewed and evaluated by City staff, which may include the City Administrator, the elected officials, and/or other staff members.

Based on these reviews and evaluations, City staff will forward a recommendation to the City Commissioners for final consideration.

SUBMITTAL INFORMATION

RFP Procedural and Content Questions (Requests for Clarification) Proposers may identify errors, omissions, or ambiguities in the RFP. Requests for clarification should be submitted in writing by email to Cayetana Polanco at cayetana.polanco@starbase.texas.gov no later than **9:00 a.m. C.T on Wednesday, May 20, 2026**. All emailed requests must include **“RFP Depository Services”** in the subject line.

If an addendum is issued to address any submitted requests for clarification or to make changes to the RFP, the addendum will become part of this RFP. The issuance of a written addendum is the only official method for providing interpretation, clarification, correction, or additional information.

Submission The City of Starbase will accept proposals through **either** of the following methods:

Option 1 – Electronic Submission via Secure Portal (Preferred) Proposals may be submitted electronically through the City’s designated secure bidding portal. Detailed instructions for submission will be provided by our City Clerk gretchen.norton@starbase.texas.gov via email. Electronic submissions must be received by the portal no later than **9:00 a.m. Central Time on May 22, 2026**.

In Process

Option 2 – Physical Submission Interested parties may submit one hard copy, and one (1) electronic copy of the proposal and all related documents in **PDF format** on a USB-compatible flash drive. The USB drive must be placed inside a sealed envelope or package clearly marked with the proposing bank’s name and address, and must be received by the City Clerk no later than **9:00 a.m. Central Time, May 22, 2026**.

Submittals must be delivered to:

Gretchen Norton, City Clerk

Starbase City Hall

39046 L B J Boulevard

Unit 2

Starbase, TX 78521

No later than **9:00 a.m. C.T on May 22, 2026**.

If using a delivery service (FedEx, UPS, etc.), please allow adequate time for potential delays. Proposals received after the deadline will not be considered. It is the proposer's sole responsibility to ensure the proposal is received by the City Clerk before the deadline.

Submittal Address (for physical submissions): RFP Depository Services City Clerk Starbase City Hall 39046 L B J Boulevard Brownsville, TX 78521

All proposals will be publicly opened, and the names of all proposers will be read aloud on **May 22, 2026**, or shortly thereafter, at City Hall in Starbase, Texas.

The City assumes no responsibility for the premature opening of a proposal that is not properly addressed, identified, or delivered to the correct location.

Late Submittals Proposals received after the specified time and date are considered late, shall be deemed non-responsive, and will be eliminated from consideration.

Rejection Of Proposals/Cancellation

The City reserves the right to reject all submittals and reserves the right to waive any irregularities or informalities in any submittal or in the submittal procedure, when to do so would be to the advantage of the City. The City reserves the right to cancel this RFP at any time.

Minimum RFP Acceptance Period

Proposals may not be withdrawn for a period of 120 days from the date specified for receipt of submittals.

Non-Collusion

By submitting a response to this RFP, the proposer represents and warrants that its proposal is genuine and not a sham or collusive or made in the interest or in behalf of any person not therein named and that the proposer has not directly or indirectly induced or solicited any other proposer to put in a sham proposal, or any other person, firm or corporation to refrain from submitting and that the proposer has not in any manner sought by collusion to secure to that proposer any advantage over any other proposer. By submitting a proposal, the proposer represents and warrants that no official or employee of the City has, in any manner, an interest, directly or indirectly in the proposal or in the contract which may be made under it, or in any expected profits to arise therefrom.

Taxes

The City is tax exempt. No sales tax will be charged on any products or services provided by the Bank to the City.

Disclosure of Proposal Contents

All documents submitted in response to this RFP shall become the property of the City and subject to the Texas Public Information Act (TPIA).

Proposals will be handled in a manner that avoids disclosure of the contents to competing proposers and keeps the proposals secret during evaluation. All proposals are open for public inspection after the contract(s) are awarded; however, trade secrets and confidential information in the proposals are not open for public inspection. It is specifically provided, however, that each proposer must identify any information contained in its proposal which it asserts is either a trade secret or confidential information. Such material must be conspicuously identified by marking each page containing such information as “confidential” or “proprietary”. If such material is not conspicuously identified, then by submitting its proposal, a proposer agrees that such material is considered public information.

Throughout the duration of the procurement process and resulting contract term, proposer must secure from the City written approval prior to the release of any information that pertains to services or activities covered by the RFP or the resulting contract. Failure to adhere to this requirement may result in disqualification of the proposer’s proposal or termination of the contract.

Proposal Format and Content

The proposal should conform to the required format prescribed below.

TAB A Cover Letter – Briefly describe the Bank's experience in providing depository services to Texas public sector clients. Include the name and address of the proposing Bank and the name and contact information (telephone number and email address) for the individual(s) authorized to answer technical, price, and/or contract questions. The cover letter must state that the proposal may not be withdrawn prior to May 22, 2026, and it must be signed by a person authorized to contractually bind the Bank.

TAB B Completed Proposal Form 1 (Bank Services Pricing) - Complete Proposal Form 1 reflecting applicable fees and charges for the services requested. This form should be completed for unit pricing or flat rate charges. Total charges should also be calculated for each service based on the estimated service volumes included on the form. The Bank may include the cost of any services not listed on Proposal Form 1 that the Bank determines are appropriate to be included and which would be included in its pricing.

- TAB C** **Completed Proposal Form 2 (Financial Institution Questionnaire)** - Complete the Financial Institution Questionnaire and include attachments, as needed, to complete each question.
- TAB D** **Completed Proposal Form 3 (Request for Additional Information)** - Provide any information concerning the bank service requirements listed on Proposal Form 1 or information on any additional services which you offer which are not listed on Proposal Form 1 which you think is pertinent. If providing information on services not listed on Proposal Form 1, please provide per unit pricing.
- TAB E** **Completed Proposal Form 4 (Certification)**
- TAB F** **Completed Proposal Form 5 (References)** - Complete Proposal Form 5 by providing references for three (3) Texas public sector clients currently served by your Bank.
- TAB G** **Completed Proposal Form 6 (Proposer Information Form)**
- TAB H** **Completed Proposal Form 7 (Affidavit of Ownership or Control)**
- TAB I** **Completed Proposal Form 8 (Conflict of Interest Questionnaire)**
- TAB J** **Completed Proposal Form 9 (House Bill 89, 85th Legislature Verification)**
- TAB K** **Completed Proposal Form 10 (House Bill 13, 87th Legislature Verification)**
- TAB L** **Completed Proposal Form 11 (House Bill 19, 87th Legislature Verification)**
- TAB M** **Earnings Credit** - Provide the earnings credit rate and any pertinent information that explains the application of the earnings credit. Specifically state the settlement period – monthly, annually, etc.
- TAB N** **Please Provide Samples of the Following:**
- Bank Statement
 - Account Analysis Statement
 - Daily Balance and Account Activity Reports
 - Monthly Pledged Collateral Report

- Depository Agreement
- Depository Pledge/Custody Agreement
- Tri-Party Safekeeping Agreement
- Funds Transfer Agreement
- Any other required agreements

TAB O Financial Information - Provide the most recent annual audited financial statements along with the two (2) most recent quarterly FDIC Call Reports.

TAB P W-9 - Provide a current W-9 for the Bank.

TAB Q Additional Information - Provide any additional information not previously specified which the Bank considers essential to the proposal.

GENERAL TERMS AND CONDITIONS

Negotiations

Negotiations may be conducted with any Bank whose submission would have a reasonable expectation for selection based on all the criteria set forth in this RFP. The Bank(s) may be given an opportunity to make a presentation to and/or interview with City staff. Following any presentations or interviews, Banks would be ranked in order of preference and contract negotiations would begin with the highest ranked Bank. Should negotiations with the highest ranked Bank fail to yield a contract, or if the highest ranked Bank is unable to execute said contract, negotiations would be formally ended and negotiations would then commence with the second highest ranked Bank, etc.

Disclosure

At the public opening, there will be no disclosure of contents to the respondents, and all proposals will be kept confidential during the evaluation and negotiation process. Except for trade secrets and confidential information which the Bank identifies as proprietary, all proposals will be available for public inspection after the contract award, in accordance with the Texas Public Information Act.

Addenda

If it becomes necessary to change the published RFP documents, all the foregoing terms and conditions and all performance requirements will apply to the published addenda. All published addenda must be signed and included with the proposal as acknowledgement of the addenda. Any changes will be provided to all known and interested proposers simultaneously; however, each proposer is responsible for obtaining all published addenda from the City or by downloading these

documents from the City's website. Visit the City's website at cityofstarbase-texas.com to determine if addenda were issued and to download any such addenda. The City assumes no responsibility for any proposer's failure to obtain and/or properly submit addenda. Failure to acknowledge and submit addenda may be cause for the proposal to be rejected. The City's decision to accept or reject any proposal due to a failure to acknowledge and submit addenda will be final.

City Contact Information

All statements should be sent to:

admin@starbase.texas.gov

City of Starbase, 39046 LBJ Boulevard, Brownsville, Texas 78521

All invoices shall be sent to:

admin@starbase.texas.gov

City of Starbase, Attention: Accounts Payable, 39046 LBJ Boulevard, Brownsville, Texas 78521, or emailed to accounts payable.

Procedures and Miscellaneous Items

All respondents to this RFP shall indemnify and hold harmless the City, and any of their employees from all suits and claims alleged to be a result of this RFP. The issuance of this RFP constitutes only an invitation to present a proposal. The City reserves the right to determine, at its sole discretion, whether any aspect of a respondent's submittal meets the criteria in this RFP. The City also reserves the right to seek clarifications, to negotiate with any vendor submitting a response, to reject any or all responses with or without cause, and to modify the procurement process and schedule. If this RFP is withdrawn or the project canceled for any reason, the City shall have no liability to any respondent for any costs or expenses incurred in connection with this RFP or otherwise.

Failure to submit all the mandatory forms from this RFP package shall be just cause for the rejection of the proposal. However, the City reserves the right to decide, on a case-by-case basis, in its sole discretion, whether to reject such a proposal as non-responsive.

The Vendor shall comply with applicable federal, state, and local laws and regulations.

Conflict of Interest Questionnaire

Proposer agrees to comply with Chapter 176 of the Texas Local Government Code which requires a person who enters or seeks to enter a contract with the City to file a Conflict-of-Interest Questionnaire Form (Form CIQ) with the proposal.

Form 1295 “Certificate of Interested Parties”

Proposer must comply with Government Code Section 2252.908 and submit Form 1295 “Certificate of Interested Parties” upon notification that proposer has been recommended for award. Form 1295 requires disclosure of “interested parties” with respect to entities that enter contracts with cities. These interested parties include:

- A. persons with a “controlling interest” in the entity, which includes:
 - 1. an ownership interest or participating interest in a business entity by virtue of units, percentage, shares, stock, or otherwise that exceeds ten (10) percent;
 - 2. membership on the board of directors or other governing body of a business entity of which the board or other governing body is composed of not more than ten (10) members; or
 - 3. service as an officer of a business entity that has four (4) or fewer officers, or service as one (1) of the four (4) officers most highly compensated by a business entity that has more than four (4) officers; or
- B. a person who actively participates in facilitating a contract or negotiating the terms of a contract with a governmental entity or state agency, including a broker, intermediary, adviser, or attorney for the business entity.

Form 1295 must be electronically filed with the Texas Ethics Commission at https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm. The form must then be printed, signed, notarized, and filed with the City. For more information, please review the Texas Ethics Commission Rules at www.ethics.state.tx.us/rules/.

Proposer’s Ethical Behavior

By submission of its proposal, the proposer promises that proposer’s officers, employees, or agents will not attempt to lobby or influence a vote or recommendation related to the proposer’s proposal submitted in response to this RFP, directly or indirectly, through any contact with the City’s council members or other City officials between the date this RFP is released to the public and the date a Contract is awarded by the City. Such behavior will be cause for rejection of the proposer’s proposal at the discretion of the City.

In Process

EXHIBIT A

CITY OF STARBASE ACCOUNT INFORMATION

In Process

**City of Starbase
Account Information**

The City of Starbase plans to maintain an Operating Account which will cover most of the day-to-day banking transactions and activities. The Operating Account will be used to make and receive daily deposits including remote deposits, ACH deposits, wired fund deposits, cash deposits, and for making payments to City's various vendors by checks and wired funds as well as for biweekly payroll payments to employees by checks and direct deposits (ACH), etc.

Additionally, the City may maintain other deposit accounts used in the business of the City and the agreement will include all other deposit accounts of the City of Starbase. The Bank is to provide an operating account and any other separate banks accounts for restricted special purpose government funds.

In Process

APPENDIX 1
PROPOSAL FORM 1
BANK SERVICE REQUIREMENTS

In Process

**City of Starbase
Request for Proposal – Depository
Services**

PROPOSAL FORM 1

BANK SERVICES PRICING

Please include either the applicable unit pricing or rate, fixed monthly fees, and fixed annual fees in the following table, then include in the far-right column the total estimated annual fees associated with each service. Please provide any explanatory comments you feel are necessary or helpful regarding the pricing information.

Depository Services	Unit Price / Rate	Fixed Monthly Fees	Fixed Annual Fees	Estimated Total Annual Fees
Balance Based Services & Fees				
FDIC Insurance Assessment - % of Average Balance	%			\$
General Account Services				
Monthly Account Analysis Fee		\$		\$
Depository Services				
Credits Posted	\$			\$
Debits Posted	\$			\$
Items Deposited - On-Ups	\$			\$
Items Deposited - Transit	\$			\$
Items Deposited - Chargeback	\$			\$
Redeposited Items	\$			\$
Monthly Account Maintenance Fee		\$		\$
ACH Credits Received	\$			\$
ACH Debits Received	\$			\$
Wire Transfer Services				
Incoming Wires	\$			\$
Domestic Wires Out	\$			\$
International Wires Out	\$			\$

Depository Services	Unit Price / Rate	Fixed Monthly Fees	Fixed Annual Fees	Estimated Total Annual Fees
Armored Truck Services				
Armored Truck Pick-Up Days	\$			\$
Third Party Services				
Monthly Third-Party Pass-Thru Fee		\$		\$
Vault Services				
Deposits	\$			\$
Deposits With Cash (add-on fee)	\$			\$
Deposits With Loose Change (add-on fee)	\$			\$
Deposits With Rolled Coin (add-on fee)	\$			\$
Deposit Corrections	\$			\$
9 x 12 Inch Plastic Deposit Bag Orders	\$			\$
Faxed Vault Change Orders	\$			\$
Vault Change Orders	\$			\$
Lock Box Services				
Wholesale Lockbox – Monthly Maintenance		\$		\$
Retail Lockbox – Monthly Maintenance		\$		\$
Retail Items With Coupon	\$			\$
Exception Items	\$			\$
Data Transmission	\$			\$
Courier Prep	\$			\$
Mail Without Check	\$			\$
Retail Item Without Coupon	\$			\$
Image Items	\$			\$
Per Deposit Charge	\$			\$
Data Entry Keystrokes	\$			\$
Receivables Online – Monthly Maintenance	\$			\$
E-Lockbox – Monthly Maintenance	\$			\$
E-Lockbox Items	\$			\$
Standard Reassociation	\$			\$

Depository Services	Unit Price / Rate	Fixed Monthly Fees	Fixed Annual Fees	Estimated Total Annual Fees
Annual PO Box Rental Fee			\$	\$
Item Encoding Charge	\$			\$
Positive Pay Services				
Monthly Positive Pay Maintenance (3-Way Match)		\$		\$
Positive Pay Exception Items	\$			\$
ACH Positive Pay Return	\$			\$
Positive Pay Return	\$			\$
Monthly ACH Positive Pay Maintenance		\$		\$
Add ACH Positive Pay Filter	\$			\$
Update ACH Positive Pay Filter	\$			\$
ACH Positive Pay Exceptions	\$			\$
General ACH Services				
Monthly ACH Maintenance		\$		\$
Transmission Files Processed	\$			\$
Debit Items Originated	\$			\$
Credit Items Originated	\$			\$
Return or Reject Debit Entries	\$			\$
Return or Reject Credit Entries	\$			\$
Exception File Count - Originations	\$			\$
Overlimit File Count - Originations	\$			\$
Same Day Debit Items Originated	\$			\$
Same Day Credit Items Originated	\$			\$
Items Deleted/Reversed	\$			\$
Transmit Acknowledgements	\$			\$
Originated Debit Return Unauthorized Items	\$			\$
Originated Credit Return Unauthorized Items	\$			\$
Online Services				
Monthly Online Maintenance Fee		\$		\$
Monthly IR Transaction Accounts Fee		\$		\$

Depository Services	Unit Price / Rate	Fixed Monthly Fees	Fixed Annual Fees	Estimated Total Annual Fees
Monthly Wire Maintenance Fee		\$		\$
Electronic Report	\$			\$
Previous Day Transactions	\$			\$
Intraday Transactions	\$			\$
Total Users Enrolled	\$			\$
Stop Payments	\$			\$
Bank Transfers	\$			\$
Safekeeping Services				
Monthly Fee for Safekeeping Maintenance		\$		\$
Other Fees Not Listed Above				

In Process

APPENDIX 2
PROPOSAL FORM 2
FINANCIAL INSTITUTION
QUESTIONNAIRE

In Process

PROPOSAL FORM 2
DEPOSITORY QUESTIONNAIRE

1. How is the Bank chartered?

2. Disclose available public information concerning any known upcoming changes in the ownership, management, or financial position of the Bank or its parent holding company.

3. Does the Bank have any significant problems noted by regulatory agencies in the past 24 months?

If yes, please explain.

4. Indicate the address of the branch closest to Starbase.

5. If multiple locations exist locally, indicate the location that will handle the processing of the City's transactions.

6. Indicate the Bank's capital to assets ratio for the last five (5) years.

7. What was the Bank's 2024 return on assets (ROA)?

8. Attach copies of the Bank's most recent FDIC (UPBR) call reports.

9. Is the Bank a branch bank or will it soon become a branch bank? If so, please indicate which services will be provided from the Bank's branch location and which will be provided by the main Bank.

10. Please provide a brief biography of the Bank representative who will be the City's liaison.

APPENDIX 3
PROPOSAL FORM 3
REQUEST FOR ADDITIONAL INFORMATION

In Process

PROPOSAL FORM 3
REQUEST FOR ADDITIONAL INFORMATION

Please provide information concerning the services below and any additional services that you offer and think the City would benefit from.

In Process

APPENDIX 4
PROPOSAL FORM 4
CERTIFICATION

In Process

PROPOSAL FORM 4
CERTIFICATION

The undersigned affirms that they are duly authorized to represent this Bank, that this proposal has not been prepared in collusion with any other firm, and that the contents of this proposal have not been communicated to any other firm prior to the official opening of this proposal. Further, the undersigned affirms that the Bank agrees to all terms and conditions contained in this proposal.

Signed By: _____

Date:

Printed Name: _____ Title: _____

Bank: _____

Email: _____

Phone: _____

In Process

Mailing Address: _____

APPENDIX 5
PROPOSAL FORM 5
REFERENCES

In Process

PROPOSAL FORM 5

REFERENCES

Three (3) references for Texas public sector clients you currently serve must be included with the submittal. City of Starbase reserves the right to contact the references provided.

References for: _____
(Company Name)

Reference 1:

Name of Client (Agency) _____

Contact Person and Title _____

Address of Client (Agency) _____

Phone Number _____

E-mail Address _____

How long has your company provided service? _____

In Process

Reference 2:

Name of Client (Agency) _____

Contact Person and Title _____

Address of Client (Agency) _____

Phone Number _____

E-mail Address _____

How long has your company provided service? _____

Reference 3:

Name of Client (Agency) _____

Contact Person and Title _____

Address of Client (Agency) _____

Phone Number _____

E-mail Address _____

How long has your company provided service? _____

In Process

APPENDIX 6

PROPOSAL FORM 6

PROPOSER INFORMATION FORM

In Process

PROPOSAL FORM 6

PROPOSER INFORMATION FORM

BANK'S FULL BUSINESS NAME:	
PHYSICAL ADDRESS:	
CONTACT PERSON:	
PHONE #:	
EMAIL ADDRESS:	
BANK'S WEBSITE:	
BANK'S TAX ID#:	

In Process

APPENDIX 7
PROPOSAL FORM 7
AFFIDAVIT OF OWNERSHIP OR CONTROL

In Process

5. The information shown below is true and correct for the Contracting Entity and all owners of 5% or more of the Contracting Entity and, where the Contracting Entity is a non-profit entity, the required information has been shown for each officer. [NOTE: IN ALL CASES, USE FULL NAMES, LOCAL BUSINESS AND RESIDENCE ADDRESSES AND TELEPHONE NUMBERS. DO NOT USE POST OFFICE BOXES FOR ANY ADDRESS. INCLUSION OF EMAIL ADDRESSES IS OPTIONAL BUT RECOMMENDED. ATTACH ADDITIONAL SHEETS AS NEEDED.]

Contracting Entity

Name: _____

Business Address [NO./STREET] _____

[CITY/STATE/ZIP CODE] _____

Telephone Number (____) _____

Email Address [OPTIONAL] _____

Residence Address [NO./STREET] _____

[CITY/STATE/ZIP CODE] _____

Telephone Number [OPTIONAL] (____) _____

Email Address [OPTIONAL] _____

**5% or More Owner(s)/Officers of Non-Profit Corporation
(IF NONE, STATE "NONE.")**

Name: _____

Business Address [NO./STREET] _____

[CITY/STATE/ZIP CODE] _____

Telephone Number (____) _____

Email Address [OPTIONAL] _____

Residence Address [NO./STREET] _____

[CITY/STATE/ZIP CODE] _____

Telephone Number [OPTIONAL] (____) _____

Email Address [OPTIONAL] _____

6. Optional Information

Contracting Entity and/or _____

[NAME OF OWNER OR NON-PROFIT OFFICER] is actively protesting, challenging or appealing the accuracy and/or amount of taxes levied against _____

[CONTRACTING ENTITY, OWNER OR NON-PROFIT OFFICER] as follows:

Name of Debtor: _____

Type of Debt: _____

Account Nos.: _____

Case or File Nos.: _____

Attorney/Agent Name: _____

Attorney/Agent Phone No.: _____

Delinquent Years/Months: _____

Status of Appeal [DESCRIBE]: _____

Affiant certifies that he or she is duly authorized to submit the above information on behalf of the Contracting Entity, that Affiant is associated with the Contracting Entity in the capacity noted above and has personal knowledge of the accuracy of the information provided herein, and that the information provided herein is true and correct to the best of Affiant's knowledge and belief.

Affiant

SWORN TO AND SUBSCRIBED before me this __ day of _____, 20__.

(Seal)

Notary Public in and for the State of Texas

NOTE:

This affidavit constitutes a government record as defined by Section 37.01 of the Texas Penal Code. Submission of a false government record is punishable as provided in Section 37.10 of the Texas Penal Code.

Attach additional pages if needed to supply the required names and addresses.

In Process

APPENDIX 8
PROPOSAL FORM 8
FORM CIQ
(CONFLICT OF INTEREST QUESTIONNAIRE)

In Process

PROPOSAL FORM 8

FORM CIQ (CONFLICT OF INTEREST QUESTIONNAIRE)

Conflict of Interest Questionnaire:

CONFLICT OF INTEREST QUESTIONNAIRE		FORM CIQ
For vendor doing business with local governmental entity		
<p>This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.</p> <p>This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).</p> <p>By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.</p> <p>A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.</p>	OFFICE USE ONLY	
<p>1 Name of vendor who has a business relationship with local governmental entity.</p>	Date Received	
<p>2 <input type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)</p>		
<p>3 Name of local government officer about whom the information is being disclosed.</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Name of Officer</p>		
<p>4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.</p> <p style="margin-left: 40px;">A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?</p> <p style="margin-left: 100px;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </p> <p style="margin-left: 40px;">B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?</p> <p style="margin-left: 100px;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </p>		
<p>5</p>		

For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or rate regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

- (A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that
 - (i) a contract between the local governmental entity and vendor has been executed; or
 - (ii) the local governmental entity is considering entering into a contract with the vendor;
- (B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:
 - (i) a contract between the local governmental entity and vendor has been executed; or
 - (ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of that local governmental entity. (a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:
 - (2) the date that the vendor:
 - (A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
 - (B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental

- entity; or
- (3) the date the vendor becomes aware:
- (A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
 - (B) that the vendor has given one or more gifts described by Subsection (a); or(C) of a family relationship with a local government officer.

In Process

APPENDIX 9

PROPOSAL FORM 9

STATE OF TEXAS – HOUSE BILL 89, 85TH

TEXAS LEGISLATURE VERIFICATION

In Process

PROPOSAL FORM 9

STATE OF TEXAS – HOUSE BILL 89, 85th TEXAS LEGISLATURE VERIFICATION

I, _____, the undersigned representative of
(Person Name)

(Company or Business Name)

hereby referred to as company, being an adult over the age of eighteen (18) years of age, do hereby certify the above-named company, under the provisions of **Chapter 2271, Texas Government Code:**

- 1. Does not boycott Israel currently; and**
- 2. Will not boycott Israel during the term of the contract for goods or services.**

Pursuant to Section 2271.001, Texas Government Code:

- 1. "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and
- 2. "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or any limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of those entities or business associations that exist to make a profit.

Date

Position/Title

Signature of Company Representative

APPENDIX 10

PROPOSAL FORM 10

STATE OF TEXAS – HOUSE BILL 13, 87TH

TEXAS LEGISLATURE VERIFICATION

In Process

PROPOSAL FORM 10

STATE OF TEXAS – HOUSE BILL 13, 87th TEXAS LEGISLATURE VERIFICATION

I, _____, the undersigned representative of
(Person Name)

(Company or Business Name)

hereby referred to as company, being an adult over the age of eighteen (18) years of age, do hereby certify the above-named company, under the provisions of **Chapter 2274, Texas Government Code:**

- 1. Does not boycott energy companies currently; and**
- 2. Will not boycott energy companies during the term of the contract for goods or services.**

Pursuant to Section 2274.001, Texas Government Code:

- 1. "Boycott Energy Companies" means, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company:
 - a. engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or
 - b. does business with a company described by Paragraph (a) above; and
- 2. "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or any limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of those entities or business associations that exist to make a profit.

Date

Position/Title

Signature of Company Representative

APPENDIX 11

PROPOSAL FORM 11

STATE OF TEXAS – HOUSE BILL 19, 87TH

TEXAS LEGISLATURE VERIFICATION

In Process

PROPOSAL FORM 11

STATE OF TEXAS – HOUSE BILL 19, 87th TEXAS LEGISLATURE VERIFICATION

I, _____, the undersigned representative of
(Person Name)

(Company or Business Name)

hereby referred to as company, being an adult over the age of eighteen (18) years of age, do hereby certify the above-named company, under the provisions of **Chapter 2274, Texas Government Code:**

- 1. Does not have a practice, policy, guidance, or directive that discriminates against firearm entity or firearm trade associations currently; and**
- 2. Will not discriminate against a firearm entity or firearm trade association during the term of the contract for goods or services.**

Pursuant to Section 2274.001, Texas Government Code:

- 1. "Discriminate against a firearm entity or firearm trade association"
 - a. means, with respect to the entity or association, to:
 - i. refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association;
 - ii. refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or
 - iii. terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; and
 - b. does not include:
 - i. the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories;
 - ii. Aa company 's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity 's or association 's status as a firearm entity or firearm trade association; and
- 2. "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or any limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of those entities or business associations that exist to make a profit.

Date

Position/Title

Signature of Company Representative

In Process

S T A R B A S E

X

CITY COMMISSION AGENDA MEMO

TO: Mayor and City Commission

FROM: City Administrator

MEETING DATE: May 28, 2026

ITEM: I.4

SUMMARY The City Commission is requested to authorize the Mayor to award the beach cleaning services contract under RFP 2026-02 to the most qualified proposer.

BACKGROUND The City issued Request for Proposals (RFP) 2026-02 for professional beach cleaning services at Boca Chica Beach. Due to a communication error, an amendment was issued extending the proposal deadline to May 29, 2026. All known proposers were promptly notified of the extension.

Because the revised deadline falls the day after this Commission meeting, staff recommends that the City Commission authorize the Mayor to review the proposals received and award the contract to the most qualified proposer offering the best overall value to the City.

STAFF RECOMMENDATIONS It is recommended that the Mayor be authorized to award the beach cleaning services contract under RFP 2026-02 to the most qualified proposer and to direct the City Administrator to execute the final contract documents.

MOTION: "I move to authorize the Mayor to award the beach cleaning services contract under RFP 2026-02 to the most qualified proposer offering the best overall value to the City of Starbase and to direct the City Administrator to execute the contract and related documents on behalf of the City."

ATTACHMENTS

- RFP 2026-02 for Beach Cleaning Services
- Addendum 1
- Addendum 2

In Process



STARBASE

CITY OF STARBASE, TEXAS

Request for proposals for beach cleaning services

1. General information

The City of Starbase, Texas (“City”) is seeking competitive sealed proposals for professional beach cleaning services at the Boca Chica Boulevard (State Highway 4) beach access point for a 12-month period.

The City is looking for an experienced contractor to perform up to twice-monthly beach cleaning operations using a combination of mechanical Surf Rake equipment, targeted hand-picking of garbage, and removal of heavy items. The goal is to maintain a clean and safe public beach while strictly following Texas General Land Office (GLO) guidelines and complying with the dune protection regulations set out in the City of Starbase Dune Protection and Beach Access Plan. All cleaning activities must ensure minimal environmental impact on dunes, native vegetation, wildlife, and the natural beach profile.

This procurement follows Texas Local Government Code Chapter 252 and the City’s Purchasing Policies. Proposals will be evaluated and a contract awarded to the proposal that represents the best value to the City of Starbase.

THE PROPOSER MUST FOLLOW ALL INSTRUCTIONS IN THIS RFP TO BE CONSIDERED.

2. Scope of Work

The selected Contractor shall furnish all labor, equipment, materials, supervision, transportation, and disposal necessary to perform the following:

Beach Cleaning

- Perform a minimum of twelve (12) full beach cleaning operations per year, and a maximum of twenty-four (24) full beach cleaning operations per year as coordinated and scheduled with the City, dependent on weather conditions, beach conditions, city holidays, and other factors. Work hours shall be agreed upon by the Contractor and the City.
- All cleaning operations shall comply with the City of Starbase Dune Protection and Beach Access Plan.
 - For best practices, please visit this [link](#).
- Use a **Barber SURF RAKE** or GLO-approved equivalent mechanical beach cleaner that removes debris while minimizing sand removal and ecosystem disturbance, supplemented by hand-picking for thorough removal of litter.
- Remove all litter, trash, and non-natural debris, including large or heavy items either dumped or washed ashore.
- For sargassum/seaweed: rake and push all accumulations to the toe of the dunes or strategically place in gap locations to aid natural dune building, per GLO best practices (no raking or disturbance west of the Line of Vegetation; leave seaweed at the toe of dunes to support dune migration and stabilization).
- Follow GLO Dune Protection guidelines: cleaning practices must not materially weaken dunes or dune vegetation, reduce protective functions of dunes, result in significant redistribution of sand, significantly alter the beach profile, or destroy dune vegetation.
- Coordinate and directly communicate with the City on current beach conditions; perform additional event-driven cleanings if requested.
- Restore the beach surface to a safe, uniform condition and remove all equipment and debris from the site daily.
- For each cleaning, submit metrics including amount of trash picked up (by weight or volume), document any out-of-the-ordinary garbage found, and produce a quarterly report of trends seen in garbage accumulation patterns.

Beach Entrance Grading

The following beach entrance grading activities shall be completed during every scheduled beach cleaning operation and may also be requested on an as-needed basis following weather events:

- Remove sand from paved road east of roundabout.
- Smooth excessive ruts between end of road and hard pack/wet sand.

- Use tracked skid steer as compactor.
- Remove broken concrete pad at end of paved road; to remain buried.

3. Contractor Requirements

- Minimum 1 year of appropriate experience providing similar beach cleaning services on Texas Gulf Coast beaches.
- Proof of GLO-compliant equipment and methods (including use of specified Surf Rake or equivalent).
- Proof of current insurance policies with the following minimum coverages: \$1 million general liability (including bodily injury and property damage), \$2 million automobile coverage, and Texas workers' compensation insurance. The City must be listed as an additional named insured.
- All work is performed by trained and licensed personnel.

4. Proposal Submittal Requirements

Proposals must include:

- Detailed approach and equipment list (confirming use of Barber SURF RAKE). Only proposals that are GLO compliant in their approach will be considered.
- Pricing: unit price per beach cleaning event.
- Completion and submission of all forms appended to this RFP.

5. Submission Instructions

Electronic (preferred) or hard copy submissions accepted. Contact City Clerk Gretchen Norton (gretchen.norton@starbase.texas.gov) for portal instructions.

Physical deliveries to:

Gretchen Norton,

City Clerk Starbase City Hall 39046 L B J Boulevard

Unit 2

Starbase, TX 78521

Deadline: 2:00 PM CDT, May 26, 2026

IF YOU HAVE ANY QUESTIONS ABOUT COMPLIANCE, PLEASE CONSULT YOUR OWN LEGAL COUNSEL. COMPLIANCE IS THE INDIVIDUAL RESPONSIBILITY OF EACH PERSON OR AGENT OF A PERSON WHO IS SUBJECT TO THE FILING REQUIREMENT. AN OFFENSE UNDER CHAPTER 176 IS A CLASS “C” MISDEMEANOR.

6. Conflict of Interest / Compliance

CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE

Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ the vendor or person’s affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the City of Starbase not later than the 7th business day after the date the person becomes aware of facts that require the statement be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor. For more information or to obtain the Questionnaire CIQ, go to the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf.

CERTIFICATE OF INTERESTED PARTIES (Form 1295)

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016. For more information go to the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf. Form 1295 must be filed online and can be found here:

<https://www.ethics.state.tx.us/data/forms/1295/1295.pdf>

CONFIDENTIALITY OF INFORMATION AND SECURITY

Should the successful respondent become the holder of and have access to confidential information in the process of fulfilling its responsibilities in connection with an awarded contract, the successful respondent agrees that it shall keep such information confidential and will comply fully with the laws and regulations of the State of Texas, ordinances and regulations of the City, and any applicable federal laws and regulations relating to confidentiality.

7. Evaluation & Award

Proposals will be evaluated on best value criteria per Texas Local Government Code §252.043, including: price (40%), experience/qualifications (20%), technical approach & equipment (20%), and GLO compliance plan (20%).

The City Commission will award the contract to the proposer offering the best overall value.

8. Contract Term & Payment

12-month term commencing June 1, 2026, with one optional 12-month renewal.

Performance Contingency: Continuous cleaning services are conditional upon satisfactory performance. If the selected provider fails to meet performance standards, the City reserves the right to terminate the contract and award the remaining services to another qualified applicant from the responsive proposers.

Questions regarding this RFP must be submitted in writing to the City Administrator no later than **May 22, 2026**. The City reserves the right to reject any or all proposals.

This RFP and any resulting contract are subject to the City of Starbase Purchasing Policies and all applicable state and federal laws.

ATTACHMENT I

LITIGATION DISCLOSURE FORM

Failure to fully and truthfully disclose the information required by this Litigation Disclosure form may result in the disqualification of your submittal from consideration or termination of the contract, once awarded.

1. Have you or any member of your Firm or Team to be assigned to this engagement ever been indicted or convicted of a felony or misdemeanor greater than a Class C in the last five (5) years?

Circle One: YES NO

2. Have you or any member of your Firm or Team to be assigned to this engagement ever been terminated (for cause or otherwise) from any work being performed for the CITY or any other Federal, State or Local Government, or Private Entity?

Circle One: YES NO

3. Have you or any member of your Firm or Team to be assigned to this engagement ever been involved in any claim or litigation with the CITY or any other Federal, State or Local Government, or Private Entity during the last ten (10) years?

Circle One: YES NO

If you have answered “Yes” to any of the above questions, please indicate the name(s) of the person(s), the nature, and the status and/or outcome of the information, indictment, conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your submittal.

ATTACHMENT II

COMPANY PROVIDING PROPOSAL GENERAL QUESTIONNAIRE

- Name of Agency/Company (Full, correct legal name):
- Address:
- Telephone:
- Email address:

1. Does your Company anticipate any mergers, transfer of organization ownership, management reorganization, or departure of key personnel within the next twelve (12) months that may affect the organization's ability to carry out its submittal?

Circle One: YES NO

2. Is your Company authorized and/or licensed to do business in Texas?

Circle One: YES NO

3. Where is the Company's corporate headquarters located?

4. Does the Company have an office located in Starbase, Texas?

Circle One: YES NO

5. If the answer to the previous question is "yes", how long has the Company conducted business from its Starbase office? **(years).(months)**

6. State the number of full-time employees at the Starbase office.

7. Has the Company or any of its principals been debarred or suspended from contracting with any public entity?

Circle One: YES NO

If yes, identify the public entity and the name and current phone number of a representative of the public entity familiar with the debarment or suspension, and state the reason for or circumstances surrounding the debarment or suspension, including but not limited to the period of time for such debarment or suspension.

8. Indicate person whom the city may contact concerning your submittal.

- Name:
- Address:
- Telephone:
- Email:

In Process

9. Surety Information

- Have you or the Company ever had a bond or surety instrument “called,” canceled, or forfeited?

Circle One: YES NO

If yes, state the name of the bonding company, date, amount of bond and reason for such bond being “called,” or its cancellation or forfeiture.

10. Bankruptcy Information

- Have you or the Company ever been declared bankrupt or filed for protection from creditors under state or federal proceedings?

Circle One: YES NO

If yes, state the date, court, jurisdiction, cause number, amount of liabilities and amount of assets.

11. Provide any other names under which your business has operated within the last 10 years.

In Process

STATE OF TEXAS – HOUSE BILL 89, 85th TEXAS LEGISLATURE VERIFICATION

I, _____, the undersigned representative of
(Person Name)

(Company or Business Name)

hereby referred to as company, being an adult over the age of eighteen (18) years of age, do hereby certify the above-named company, under the provisions of **Chapter 2271, Texas Government Code:**

1. **Does not boycott Israel currently; and**
2. **Will not boycott Israel during the term of the contract for goods or services.**

In Process

Pursuant to Section 2271.001, Texas Government Code:

1. “Boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and
2. “Company” means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or any limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of those entities or business associations that exist to make a profit.

Date

Position/Title

Signature of Company Representative

In Process

STATE OF TEXAS – HOUSE BILL 13, 87th TEXAS LEGISLATURE VERIFICATION

I, _____, the undersigned representative of
(Person Name)

(Company or Business Name)

hereby referred to as company, being an adult over the age of eighteen (18) years of age, do hereby certify the above-named company, under the provisions of **Chapter 2274, Texas Government Code:**

1. **Does not boycott energy companies currently; and**
2. **Will not boycott energy companies during the term of the contract for goods or services.**

Pursuant to Section 2274.001, Texas Government Code:

1. “Boycott Energy Companies” means, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company:
 - a. engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or
 - b. does business with a company described by Paragraph (a) above; and

2. “Company” means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or any limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of those entities or business associations that exist to make a profit.

Date

Position/Title

Signature of Company Representative

In Process

STATE OF TEXAS – HOUSE BILL 19, 87th TEXAS LEGISLATURE VERIFICATION

I, _____, the undersigned representative of
(Person Name)

(Company or Business Name)

hereby referred to as company, being an adult over the age of eighteen (18) years of age, do hereby certify the above-named company, under the provisions of **Chapter 2274, Texas Government Code:**

- 1. **Does not have a practice, policy, guidance, or directive that discriminates against firearm entity or firearm trade associations currently; and**
- 2. **Will not discriminate against a firearm entity or firearm trade association during the term of the contract for goods or services.**

Pursuant to Section 2274.001, Texas Government Code:

- 1. “Discriminate against a firearm entity or firearm trade association”
 - a. means, with respect to the entity or association, to:
 - i. refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association;
 - ii. refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or
 - iii. terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; and
 - b. does not include:
 - i. the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories;
 - ii. A company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or for any traditional business reason that is specific to the customer or potential customer and not based solely

on an entity 's or association 's status as a firearm entity or firearm trade association; and

- 2. "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or any limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of those entities or business associations that exist to make a profit.

3.

Date

Position/Title

Signature of Company Representative

In Process

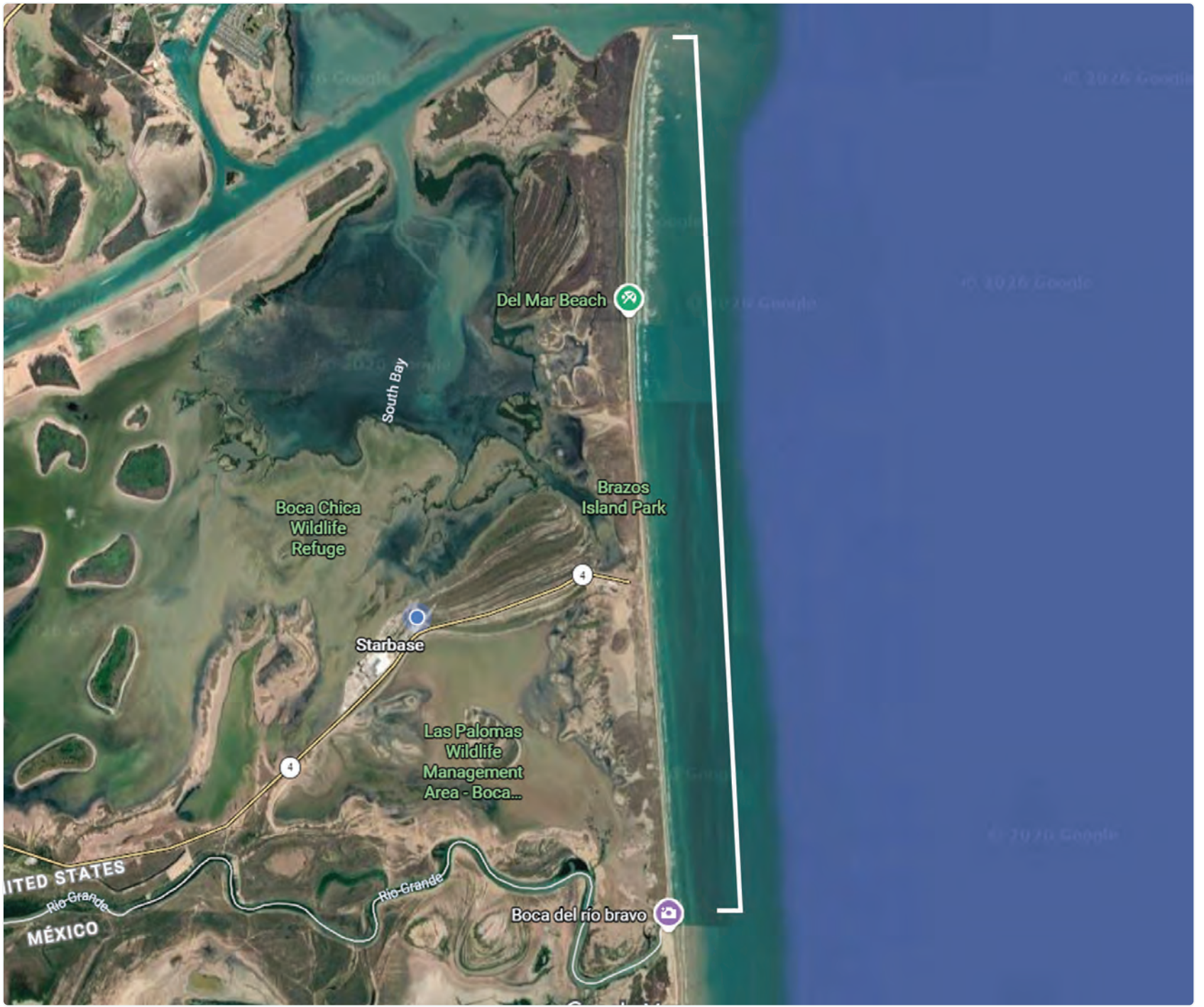
ADDENDUM NO. 1

Request for Proposals for Beach Cleaning Services

City of Starbase, Texas

Question: We had a quick question regarding the scope area of the beach cleaning operations. Does the City have an estimated coverage area, total acreage, linear footage, or designated limit zones for the cleaning area? Any additional information regarding the size and boundaries of the service area would be greatly appreciated as we prepare our proposal.

Response: The beach cleaning operations cover the **entire length of Boca Chica Beach from north to south.** This area is approximately **7.4 miles** long, or roughly **39,072 linear feet.**



ADDENDUM NO. 2

Request for Proposals for Beach Cleaning Services

City of Starbase, Texas

DATE: 5.26.26

This Addendum is hereby issued to amend the above-referenced Request for Proposals (RFP). All other terms and conditions of the RFP remain in full force and effect.

PURPOSE

It has come to our attention that there is an inconsistency between prior communications sent to potential respondents and the deadline stated in the RFP document. To ensure that no potential respondent is prejudiced by this inconsistency, this Addendum formally amends the RFP to reflect the submission deadline communicated directly to potential respondents.

AMENDMENT

The proposal submission deadline is hereby amended as follows:

Previous Deadline: May 26, 2026, at 2:00 PM Central Time

Amended Deadline: May 29, 2026, at 2:00 PM Central Time

All proposals must be received by May 29, 2026, at 2:00 PM Central Time. Respondents who have already submitted a proposal prior to this deadline are permitted to amend or supplement their submission, provided that any such amendment is received no later than the deadline stated above.

This Addendum is incorporated into and made a part of the RFP in its entirety. Respondents are encouraged to acknowledge receipt of this Addendum in their proposals.

S T A R B A S E

X

CITY COMMISSION AGENDA MEMO

TO: Mayor and City Commission

FROM: City Administrator

MEETING DATE: May 28, 2026

ITEM: I.5

SUMMARY The City Commission is requested to appoint a new member to the Starbase Advisory Committee to fill the current vacancy.

BACKGROUND The Starbase Advisory Committee consists of five (5) members as established by Resolution No. 2025-10-15-F05-RE. There is currently one available seat on the Committee. The City Commission wishes to fill this vacancy with a valuable member who will add to the advisory board.

STAFF RECOMMENDATIONS It is recommended that the Commission appoint the recommended candidate to the Starbase Advisory Committee for a two-year term.

MOTION: “I move to appoint Bruce Applin to the Starbase Advisory Committee for a two (2) year term.”

ATTACHMENTS

- Resolution No. 2025-10-15-F05-RE – Starbase Advisory Committee

CITY OF STARBASE, TEXAS

RESOLUTION NO. 2025-10-15-F05-RE

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS AMENDING RESOLUTION NO. 2025-05-29-O05-RE CHANGING THE NAME OF THE LONG-TERM DEVELOPMENT PLANNING COMMITTEE TO STARBASE ADVISORY COMMITTEE, EXPANDING THE COMMITTEE TO FIVE MEMBERS, AND DEFINING THE COMMITTEE'S SCOPE AND DUTIES; DISCLAIMING THAT THIS COMMITTEE POSSESSES ANY POWERS OF A ZONING COMMISSION UNDER CHAPTER 211 OF THE TEXAS LOCAL GOVERNMENT CODE; PROVIDING CUMULATIVE, SEVERABILITY AND SAVINGS CLAUSES; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Starbase, Texas (the "City"), recognized the substantial benefits from public input regarding the City's long-term planning for development of the City, its extraterritorial jurisdiction as may be warranted, and the construction of infrastructure and other elements serving the City and its residents, and thereby the City Commission of the City of Starbase, Texas (the "City Commission") on May 29, 2025, created the Long-Term Development Planning Committee by adopting Resolution 2025-05-29-O05-RE; and

WHEREAS, the City Commission desires to change the name of the committee from "Long-Term Development Planning Committee" to "Starbase Advisory Committee" (the "Committee"), expand the Committee to five members, and define the Committee's scope and duties; and

WHEREAS, this Starbase Advisory Committee is not established as a zoning commission as envisioned by Texas Local Government Code Chapter 211, is not to serve in such capacity, and will not review or make recommendations to the City Commission regarding specific zoning or rezoning applications or amendments to the zoning ordinance of the City, but may communicate general comments to the City about how the City's zoning ordinance functions and how that ordinance impacts City residents; and

WHEREAS, the City Commission has determined it is appropriate to task the Committee comprised of City residents to make recommendations to the City Commission regarding development of land within the City, the infrastructure and services required to serve the City, its residents and local businesses, and to communicate other long-term goals that the residents of Starbase may see as providing public benefit to the community in the near or distant future.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS:

SECTION 1. The findings set forth above are incorporated into the body of this Resolution as if fully set forth herein and found to be true.

SECTION 2. After due deliberation and consideration, the City Commission has concluded that the adoption of this Resolution is in the best interests of the City, and of the public health, safety, and welfare.

SECTION 3. Section 3 of Resolution 2025-05-29-005-RE is hereby amended as follows:

The Starbase Advisory Committee shall be governed by the following parameters:

A. Creation, Composition, and Purpose

- (a) There is created a Starbase Advisory Committee for the City.
- (b) The Committee shall be composed of five (5) members, and all members shall be residents of the City of Starbase. The City Administrator shall serve as ex officio member of the Committee.
- (c) The Committee's purpose is to advise the City Commission on the views of City residents with regard to the long-term development and needs of the City and its residents. These recommendations may include general comments on how property should be developed, what infrastructure is needed, how parks and open spaces should be developed, expansion or reduction of City operations, facilities and services, and other matters as may arise. The Committee may investigate and advise the Commission on any matter as assigned by the Commission, Mayor or City Administrator.

B. Terms and Appointment of Members

- (a) All members shall be appointed by the City Commission.
- (b) Members of the Committee shall serve two (2) year terms and shall continue to serve until their successors have been appointed, except that the initial Committee members' service appointments shall be two (2) members for two (2) year terms and one (1) member for a one (1) year term.

C. Meetings.

- (a) Meetings of the Committee shall be set by any two members or upon the request of the Mayor or City Administrator.

D. Duties

- (a) The Committee shall confer with and make recommendations to the City Commission and/or City staff relating to such plans and programs for the effective implementation of long-term plans, including soliciting and obtaining input from City residents and other local stakeholders.

E. No Authority to Expend City Funds or to Order Work Done

- (a) The Committee shall have no authority to expend City funds, nor to order any work done on its own authority. The Committee is an advisory body with no final decision-making authority.

SECTION 4. This Resolution shall be cumulative of all provisions of resolutions of the City of Starbase, Texas, except where the provisions of this Resolution are in direct conflict with the provisions of such resolutions, in which event the conflicting provisions of such resolutions are hereby repealed.

SECTION 5. It is hereby declared to be the intention of the City Commission that the phrases, clauses, sentences, paragraphs, and sections of this Resolution are severable, and if any phrase, clause sentence, paragraph or section of this Resolution shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Resolution, since the same would have been enacted by the City Commission without the incorporation in this Resolution of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 6. Starbase's Ordinances shall remain in full force and effect and are not in any way altered, amended, superseded, or changed by this Resolution.


SECTION 7. It is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given, all as required by Article 551.041, Texas Government Code.

SECTION 8. The City Clerk is hereby directed to enroll and engross this Resolution by reflecting the passage of this Resolution in the minutes of the City Commission and by filing this Resolution in the Resolution Records of the City.

SECTION 9. This Resolution shall be in full force and effect from and after its passage.

PASSED AND APPROVED BY the City Commission of the City of Starbase, Texas, on this the 15th day of October 2025.

CITY OF STARBASE, TEXAS



Bobby Peden, Mayor

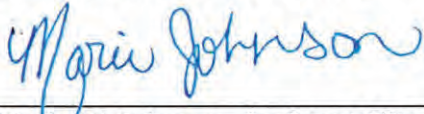
ATTEST:



Caroline Cole, City Clerk



APPROVED AS TO FORM:



Marie N. Johnson, Assistant City Attorney

S T A R B A S E

X

CITY COMMISSION AGENDA MEMO

TO: Mayor and City Commission

FROM: City Administrator

MEETING DATE: May 28, 2026

ITEM: I.6

SUMMARY The City Commission is requested to approve a resolution authorizing the City's participation in the Local Government Investment Cooperative (LOGIC).

BACKGROUND LOGIC is a cooperative investment pool created specifically for Texas cities, counties, and other local governments. It works like a safe government money-market account: the City pools its funds with other public entities to invest in very short-term, high-quality securities.

This gives the City excellent safety of principal, easy access to cash when needed (liquidity), and competitive returns, all while fully complying with the City's Investment Policy and state law.

The attached resolution approves the City's participation, authorizes the Mayor and other officials to sign the required Application for Participation and related documents, and designates authorized representatives.

STAFF RECOMMENDATIONS It is recommended that the resolution be approved as presented.

MOTION: "I move to approve the resolution authorizing participation in the Local Government Investment Cooperative (LOGIC); authorizing the execution of the Application for Participation and related documents; designating authorized representatives; and providing an effective date."

ATTACHMENTS

- Resolution Approving Participation in LOGIC (LOGIC Resolution (SF Edits 5.22.26).docx)
- LOGIC Enrollment Documents and Application for Participation (I6 LOGIC Enrollment Docs.pdf)
- LOGIC Information Statement (March 2025) (I6 LOGIC Information Statement March 2025.pdf)

In Process

CITY OF STARBASE, TEXAS

RESOLUTION NO. 2026-17

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS, APPROVING PARTICIPATION IN THE LOCAL GOVERNMENT INVESTMENT COOPERATIVE (LOGIC); AUTHORIZING THE EXECUTION OF THE APPLICATION FOR PARTICIPATION AND RELATED DOCUMENTS; DESIGNATING AUTHORIZED REPRESENTATIVES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Starbase, Texas (the “City”) is a Type C general-law municipality and a local government as defined in the Public Funds Investment Act, Chapter 2256 of the Texas Government Code; and

WHEREAS, the City adopted an Investment Policy and Strategy (the “Investment Policy”) on April 15, 2026; and

WHEREAS, the Local Government Investment Cooperative (“LOGIC”) is a public funds investment pool organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, for the purpose of providing eligible governmental entities with a safe, liquid, diverse, and competitive investment option; and

WHEREAS, the City Commission has reviewed the Information Statement for the Local Government Investment Corporation dated March 2025, which describes the Investment Objectives of LOGIC as safety of principal, liquidity in accordance with the operating requirements of the participants, and a competitive rate of return; and

WHEREAS, LOGIC maintains an AAA rating by S&P Global Ratings (Standard & Poor’s); and

WHEREAS, the City Commission finds that participation in LOGIC is in the best interest of the City, consistent with the City’s Investment Policy, and will provide for the prudent investment of public funds; and

WHEREAS, in order to become a participant in LOGIC, the City’s governing body must adopt a resolution approving an Application for Participation in LOGIC and authorizing specified officers of the City to execute the Application;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS, THAT:

Section 1. Findings Incorporated. The facts, findings and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct and are incorporated by reference herein and expressly made a part hereof, as if copied herein verbatim.

Section 2. Approval of Participation. The City of Starbase hereby approves participation in the Local Government Investment Cooperative (LOGIC) and the Application for Participation in LOGIC.

Section 3. Designation of Authorized Representatives. The Mayor, City Clerk, City Administrator, and/or the City's Investment Officer (or their designees) are hereby designated as Authorized Representatives for purposes of making deposits, withdrawals, transfers, and all other transactions with respect to the City's accounts in LOGIC, and are authorized to take all actions necessary to implement and maintain the City's participation in LOGIC.

Section 4. Authorization to Execute Documents. The Mayor, City Administrator, and City Clerk are hereby authorized to, on behalf of the City, execute the Application for Participation in LOGIC and any and all other documents necessary or appropriate to effectuate the City's participation in LOGIC.

Section 5. Severability. It is hereby declared to be the intention of the City Commission that the phrases, clauses, sentences, paragraphs and sections of this Resolution are severable, and if any phrase, clause, sentence, paragraph or section of this Resolution shall be declared unconstitutional by a valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Resolution, since the same would have been enacted by the City Commission without the incorporation of this Resolution of any such unconstitutional phrase, clause, sentence, paragraph or section.

Section 6. Cumulative Repealer Clause. This Resolution shall be cumulative of all provisions of resolutions of the City except where the provisions of this Resolution are in direct conflict with the provisions of such resolutions, in which event the conflicting provisions of such resolutions are hereby repealed.

Section 7. Public Meeting. It is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given, all as required by Section 551.041, Texas Government Code.

Section 8. Enrollment and Engrossment. The City Clerk is hereby directed to enroll and engross this Resolution by reflecting the passage of this Resolution in the minutes of the City Commission and by filing this Resolution in the Resolution Records of the City.

Section 9. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS, on this the 28th day of May, 2026.

CITY OF STARBASE, TEXAS

Bobby Peden, Mayor

ATTEST:

Gretchen Norton, City Clerk

APPROVED AS TO FORM:

City Attorney

In Process



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LOGIC

Information Statement

Local Government Investment Cooperative
A Texas Public Funds Investment Pool and Texas Trust

March 2025

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No person or entity has been authorized to give any information or to make any representations other than those contained in this Information Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by LOGIC, its Board of Trustees, the Investment Manager, the Administrators, or any agent of LOGIC.

The Units in LOGIC have not been registered under the Securities Act of 1933, as amended, or any state securities law. The Securities and Exchange Commission ("SEC") has not passed upon the accuracy or adequacy of this Information Statement or approved Units in LOGIC for sale.

The LOGIC Information Statement should be read carefully before investing. Investors should consider the investment objectives, risks, charges and expenses associated with this or any security prior to investing. Investments in LOGIC are not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency and although LOGIC seeks to preserve the value of the investment at a fixed price, it is possible to lose money by investing in the fund. For further information, contact LOGIC Participant Services c/o Hilltop Asset Management, LLC, at (800) 895-6442. LOGIC is distributed by Hilltop Securities Inc., a registered broker dealer, member FINRA/SIPC.

LOGIC INFORMATION STATEMENT

INTRODUCTION

Local Government Investment Cooperative (LOGIC) (the "Pool") was organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, and operates as a public funds investment pool under the Public Funds Investment Act. LOGIC is organized and existing as a business trust under the laws of the State of Texas with all Participant funds and all investment assets held and managed in trust by a Board of Trustees for the benefit of the Participants. The Board of Trustees is LOGIC's governing body and is comprised of employees, officers or elected officials of Participant Government Entities. A maximum of two ex officio board members represent the Administrators of the Pool. The Board of Trustees appoints an Advisory Board comprised of employees, officers or elected officials of Participant Government Entities and individuals who do not have a business relationship with the Pool and are qualified to advise the Pool.

Currently, the Board has authorized one Portfolio: "LOGIC I," and Units of LOGIC I are currently available to Participants.

Investment Objectives. The Pool will invest only in authorized investments under the Public Funds Investment Act. Its general investment objectives are safety of principal, liquidity in accordance with the operating requirements of the Participants, and a competitive rate of return.

Rating. In order to comply with the Public Funds Investment Act, all Portfolios will maintain a AAAM or equivalent rating from at least one nationally recognized rating agency. Units of LOGIC I are currently rated "AAAM" by Standard & Poor's.

No Sales Commissions or Investment Minimum. There is no investment minimum and no sales charge.

Deposits, Withdrawals, and Transactions. Deposits and withdrawals may be made by automated clearinghouse ("ACH") or wire transfer through the Federal Reserve Bank System ("wire transfer"). Transaction requests will be by telephone, internet transaction system or by contacting a LOGIC representative.

Investment Management. The Portfolio will be managed by J.P. Morgan Investment Management Inc. (the "Investment Manager").

Administrators. Day to day administration of the Pool will be performed by Hilltop Securities Inc., Hilltop Asset Management, LLC and J.P. Morgan Investment Management Inc. (the "Administrators"). Hilltop Securities Inc. will provide marketing and distribution services. Hilltop Securities Asset Management, LLC will provide participant and administrative services, and J.P. Morgan Investment Management Inc. will provide investment management, custody and fund accounting services. Transfer agency services will be provided by DST Asset Manager Solutions, Inc. ("DST" or the "Transfer Agent"). DST and each of the Administrators or their affiliates may provide certain services, including those described herein, through the use of subcontractors or delegates.

Further Information. Further information is available from LOGIC Participant Services, c/o Hilltop Asset Management, LLC, 717 N. Harwood Street, Suite 3400, Dallas, Texas 75201, telephone 1-800-895-6442, fax 214-953-8877. The LOGIC website is www.logic.org. Certain terms used in this Information Statement are found in the Glossary attached to this Information Statement. Capitalized terms used but not defined herein shall have the meaning ascribed to them in the LOGIC investment policies ("Investment Policies").

LOGIC INFORMATION STATEMENT

This Information Statement provides detailed information about the Pool and its policies. Please read it carefully and retain it for future reference.

ORGANIZATION

The Pool was established pursuant to an Interlocal Agreement, which was subsequently amended and is now entitled Participation Agreement and Trust Instrument (the "Agreement") between participating Government Entities. Participation in the Pool is limited to those eligible Government Entities which have become parties to the Agreement ("Participants").

Participants' assets in the Pool are represented by units of beneficial interest ("Units"), which are issued in discrete series (each a "Portfolio"), as authorized from time to time by the Board. Assets invested in any Portfolio will be managed separately, and segregated from, the assets of every other Portfolio.

Assets in each Portfolio will be invested in accordance with such investment objectives, limitations and other policies established for that Portfolio by the Board.

The complete Investment Policies adopted by the Board, from time to time, are summarized in this Information Statement. Any Participant may obtain a copy of such Investment Policies from the LOGIC website at www.logic.org or by contacting LOGIC Participant Services at 1-800-895-6442.

The Board has authorized one Portfolio of the Pool at the present time: "LOGIC I". The Investment Policies and strategies with respect to the Portfolio of the Pool are summarized below. Following the summary is an analysis of the Portfolio which each Government Entity should review to determine if the Portfolio meets its needs.

LOGIC I PORTFOLIO

Investment Objectives and Strategy. The Investment Objectives of the LOGIC I Portfolio are to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The Portfolio's maximum final stated maturity is 397 days for fixed rate securities and 25 months for variable rate notes. The Portfolio will maintain a dollar-weighted average portfolio maturity that does not exceed 60 days (or fewer days if required to maintain its rating). The Portfolio seeks to maintain a net asset value of \$1.00 per Unit and is designed to be used for investment of funds which may be needed at any time.

Investments in the Portfolio are neither insured nor guaranteed by the U.S. Government, the Pool, its Board, the Administrators, their agents or any governmental or other entity and there can be no assurance that the Portfolio will maintain a stable net asset value of \$1.00.

Investment Policies. LOGIC I will have the following investment policies:

1. LOGIC I may invest in the following securities:
 - a. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
 - b. Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the United States;
 - c. Fully collateralized repurchase agreements and reverse repurchase agreements with a defined termination date not to exceed 95 calendar days with respect to repurchase agreements and 90 days with respect to reverse repurchase agreements (unless the repurchase agreement has a put option that allows the fund to liquidate the position at principal plus accrued interest with no more than 7

LOGIC INFORMATION STATEMENT

days notice to the counterparty) and secured by cash or any obligation, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the United States or its agencies or its instrumentalities, including mortgage-backed securities and obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation. The repurchase and reverse repurchase agreements must be placed with primary government securities dealers and/or financial institutions doing business in the State of Texas;

- d SEC registered money market funds authorized by the Public Funds Investment Act and rated in the highest rating category by at least one nationally recognized rating agency; and
- e Commercial paper that has a stated maturity of 365 days or fewer from the date of its issuance that is rated A-1 or P-1 or equivalent by two nationally recognized rating agencies or that is rated A-1 or P-1 or equivalent by one nationally recognized rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state.

2. The Portfolio will not invest in United States Government securities representing ownership in mortgage pools or collateralized mortgage obligations. The Portfolio will not invest in Bankers' Acceptances.

3. The Portfolio will seek to maintain a stable net asset value of \$1.00 per Unit to preserve the principal of all Participants.

4. The Portfolio's maximum final stated maturity is 397 days for fixed rate securities and 25 months for variable rate notes. The dollar-weighted average maturity of the Portfolio (calculated taking into account the period remaining until the date on which, in accordance with the terms of each security, the principal amount must unconditionally be paid, or in the case of a security called for redemption, the date on which the redemption payment must be made and may utilize the interest rate reset date for variable rate notes or floating rate securities) will not exceed 60 days (or less, if required to maintain a rating in the highest rating category by the nationally recognized rating agency currently rating the Portfolio). The dollar-weighted average final maturity of the Portfolio (calculated taking into account the period remaining until the date on which, in accordance with the terms of each security, the principal amount must unconditionally be paid, or in the case of a security called for redemption, the date on which the redemption payment must be made) will not exceed 90 days. So long as required by the Public Funds Investment Act, the Pool will disclose to Participants the calculations of dollar-weighted average maturity and dollar-weighted average final maturity of the Portfolio.

5. Withdrawals from the Portfolio and transfers to another Portfolio may be made on any business day with deadlines and provisions as more fully described in the Operating Policies.

6. To provide additional liquidity, incremental income, or enhanced yield, the Portfolio may engage in reverse repurchase agreements with reinvestment of proceeds limited to the term of the Reverse Repurchase Agreement, which shall in no event exceed 90 days.

7. The Portfolio may not borrow money or incur indebtedness, except that it may incur and pay operating expenses.

8. The Portfolio may not lend its money, except to the extent that the Portfolio may make authorized investments and it may lend its securities pursuant to a Reverse Repurchase Agreement.

9. Fully collateralized Repurchase Agreements must (i) have defined termination dates, (ii) be secured by cash or obligations, the principal and interest of which are unconditionally

LOGIC INFORMATION STATEMENT

guaranteed or insured by, or backed by the full faith and credit of, the United States or its agencies or instrumentalities, including mortgage-backed securities and obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, (iii) require purchased securities to be pledged to the investing entity or a third party, and (iv) be placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State of Texas. The market value of such collateral will be determined (marked to market) at least daily. All Repurchase Agreements will be documented through use of the Master Repurchase Agreement promulgated by the Securities Industry and Financial Markets Association.

10. The Portfolio may engage in portfolio trading in an attempt to maximize the total return on assets.

11. The Portfolio will not invest in the aggregate more than 20% of its monthly average balance in SEC registered money market funds or invest its funds in any one SEC registered money market fund in an amount that exceeds 5% of its total assets.

12. In order to provide and emphasize diversification within the Portfolio, the following limitations will be applied by comparing the amortized cost of the Portfolio's investments at the time of purchase:

- a. 100% of the Portfolio may be in United States Treasury bills, notes or bonds;
- b. 100% of the Portfolio may be in United States agency or instrumentality obligations;
- c. 100% of the Portfolio may be invested in direct Repurchase Agreements;
- d. No more than 25% of the Portfolio may be invested in term Repurchase Agreements;
- e. No more than 5% of the Portfolio may be invested in the Commercial Paper of any entity (including affiliates).
- f. No more than 25% of the Portfolio may be invested in a single industry or business sector, provided that this limitation does not apply to securities issued or guaranteed by companies in the financial services industry.

13. The maximum maturity of Repurchase Agreements may not exceed 95 days unless the Repurchase Agreement has a put option that allows the fund to liquidate the position at par (principal plus accrued interest) with no more than 7 (seven) days notice to the counterparty.

14. Diversification of Repurchase Agreement counterparties will be emphasized.

15. The Portfolio shall only invest in money market funds which are in compliance with the diversification requirements of Rule 2a7.

16. For liquidity and to respond to unusual market conditions, the Portfolio may hold all or most of its total assets in cash for temporary defensive purposes. This may result in a lower yield and prevent the Portfolio from meeting its investment objectives.

How Yields and Net Asset Value Are Determined in LOGIC I. The net interest income of the Portfolio is determined each business day, and consists of (i) the sum of (a) interest accrued, (b) discount earned (including both original issue and market discount), and (c) realized capital gains (generally amortized over a period of 30 days or less) less (ii) the sum of (a) amortization of premium, (b) the estimated expenses of the Portfolio applicable to that distribution period, and (c) realized capital losses (generally

LOGIC INFORMATION STATEMENT

amortized over a period of 30 days or less). All net income of the Portfolio so determined is declared as earnings to Participants each day. Earnings accrue throughout the month and are distributed as of the close of business on the last business day of the month. On the first business day of the following month, the earnings are reinvested as additional Units at the current net asset value (expected to be \$1.00), unless the Participant has elected to have them paid out. If the entire balance in an account is withdrawn during the month, the accrued distributions will be paid on or before the first business day of the following month.

The net asset value per Unit of the Portfolio is calculated each business day by adding the amortized book value of all Portfolio securities and other assets, deducting accrued expenses and arrearages, and dividing by the number of Units outstanding. The result of this computation will be rounded to the nearest whole cent. As previously noted, it is the intention of the Portfolio to maintain a net asset value per Unit of \$1.00. To the extent that the Board elects to utilize a net asset value per Unit determined by using available market quotations in lieu of amortized accounting, the Portfolio will reflect market fluctuations and any unrealized gains and losses resulting from those fluctuations on a daily basis.

Portfolio assets are valued on the basis of the amortized cost valuation technique. This involves valuing an instrument at its cost and thereafter assuming a constant amortization to maturity of discount or premium, regardless of the impact of fluctuating interest rates on the market value of the instrument. While this method provides certainty of valuation, it may result in periods during which value, as determined by amortized cost, is higher or lower than the price the Portfolio would receive if it sold the instrument. Although the Portfolio values its instruments on the basis of their amortized cost, certain occasions may arise on which the Portfolio sells some Portfolio holdings prior to maturity. The proceeds realized by such a sale may be higher or lower than the original cost, thus resulting in a capital gain or loss.

The Board has determined, in good faith, that it is in the best interests of the Portfolio and the Unitholders to maintain a stable net asset value of \$1.00 per Unit, by virtue of utilization of the amortized cost method which generally approximates the market value of the assets and has been deemed to be a proxy for fair value. The Portfolio will continue to use such method only so long as the Board believes that it fairly reflects the market-based net asset value per Unit.

If at any time, pursuant to its daily calculation, the deviation between the amortized cost and market-determined values of the Portfolio's assets or the deviation between market-determined values and \$1.00 per Unit exceeds \$0.0030 per Unit, the Administrators shall promptly notify the Board and continue to keep the Board apprised of the daily calculations. In the event that the deviation between the amortized cost and market-determined values or the deviation between market-determined values and \$1.00 per Unit exceeds \$0.0040, the Administrators shall promptly notify the Board and follow any directions of the Board. However, absent contrary instructions, the Administrators shall promptly sell portfolio holdings, or will take such other action as the Board, or its delegates, may direct to eliminate or reduce to the extent reasonably practicable any dilution or unfair result to existing Unitholders.

Monitoring Market Price of Investments and Ratings. The market price of all investments in the Portfolio is monitored daily by the Investment Manager. An independent or affiliated commercial pricing services or third party broker-dealers may be utilized to determine market value. The pricing services or broker-dealers use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services or broker-dealers may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services or broker-dealers also utilize proprietary valuation models which may consider market transactions in comparable securities and the various relationships between securities in determining value and/or market characteristics. Overnight Repurchase Agreements shall be valued at par. Collateral securing Repurchase Agreements shall be monitored daily by the custodian for the collateral and reviewed by the Investment Manager. An independent or affiliated commercial pricing services or third party broker-dealers may be utilized to determine market price. The Investment Manager will periodically monitor the credit ratings of the investments in which the Portfolio invests and, to the extent required under the Public Funds Investment Act, will take all prudent measures to liquidate any investments that fail to meet any minimum rating requirement for such investments set forth in the Public Funds Investment Act.

LOGIC INFORMATION STATEMENT

Financial Reporting. LOGIC has been using fair value reporting for financial statement presentation since the 2011 fiscal year because it allows for the most accurate reflection of the economic condition of the investments.

Size and Performance History. The Portfolio received its first funds in May 1994, when assets under management were \$25,265,557 with three Participants. Since then, the amount invested in the Portfolio and the number of Participants has varied. As of March 31, 2025, the assets were approximately \$14 billion with 752 participants.

More detail on the performance history of the Portfolio and the most current information on the size and performance of the Portfolio, including yield, weighted average maturity and the expense ratio, is included in an Addendum to this Information Statement being distributed with each Information Statement. The history of the operating expenses of the Portfolio is found under "Operating Expenses."

UNDERSTANDING RISKS ASSOCIATED WITH THE LOGIC I PORTFOLIO

The LOGIC I Portfolio is subject to various risks, including those listed below, any of which may adversely affect the Portfolio's performance and ability to meet its investment objectives. Each Participant must determine the amount of credit risk and interest rate risk that it wishes to take. Then it can determine whether the LOGIC I Portfolio is appropriate for specific funds. LOGIC I by itself does not represent a fully-balanced investment plan.

Unlike money market mutual funds which are registered with the Securities and Exchange Commission, LOGIC I operates in compliance with the Public Funds Investment Act ("PFIA") and not with the Investment Company Act of 1940 and Rule 2a-7 thereunder.

Credit Risk. Credit risk is the possibility that an issuer of a fixed income security held by the LOGIC I Portfolio will default on the security by failing to pay principal or interest when due. Any class of investment is subject to this risk. Remedies against a defaulting issuer of securities are limited, and the LOGIC I Portfolio may not be successful in securing repayment. A deterioration in credit quality or perceived credit quality of an investment held by the LOGIC I Portfolio could reduce the market price at which the LOGIC I Portfolio could sell the investment. The Investment Manager assesses the credit quality of the investments made for the LOGIC I Portfolio.

The LOGIC I Portfolio will invest in high quality commercial paper, as defined in the Investment Policies. Commercial paper refers to short-term unsecured promissory notes issued by business entities to finance short-term credit needs. Issuers of commercial paper could fail to make payments when due or default completely. Many issuers of commercial paper expect to repay commercial paper obligations at maturity from the proceeds of issuance of new commercial paper. As a result, investment in commercial paper is subject to the risk the issuer cannot issue enough new commercial paper to satisfy its outstanding commercial paper payment obligations, also known as rollover risk.

The LOGIC I Portfolio enters into repurchase agreements collateralized by cash or securities with approved counterparties. The Portfolio may be affected in the event a repurchase agreement counterparty fails to make payment or defaults completely. The LOGIC I Portfolio should be able to take possession of and sell the collateral securing the counterparty's obligations; however, a loss may be realized on the sale of the underlying securities to the extent that the proceeds from the sale are less than the resale price provided in the repurchase agreement. Should a counterparty declare bankruptcy or become insolvent, the LOGIC I Portfolio may incur delays and costs in selling the underlying securities. The Portfolio may transfer uninvested cash into joint accounts which are utilized by multiple funds managed by the investment manager or its affiliates and used to enter into repurchase agreements. Under these joint accounts, the Portfolio has a pro rata interest in the repurchase agreements with the other participants in the joint account pursuant to joint allocation procedures approved by all the participants. In this case, any losses from a default by a counterparty or its insolvency or bankruptcy would be allocated on a pro rata basis among the participants in the joint account.

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The Portfolio may invest in obligations of the United States, its agencies and instrumentalities, and other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the United States. U.S. Treasury securities are backed by the full faith and credit of the U.S. government, meaning that the U.S. government is required to repay the principal when due. Other types of securities issued or guaranteed by federal agencies and U.S. government sponsored instrumentalities may not be backed by the full faith and credit of the U.S. Government. In this case, payment is due from the agency or instrumentality only.

SEC registered money market funds, another permitted investment by LOGIC I, may invest in a variety of obligations, including U.S. Government obligations, bank obligations, including banker's acceptances, Commercial Paper, Repurchase Agreements, and obligations of state and local governments. The SEC establishes diversification and credit quality requirements for such funds. The Portfolio's investment policy also requires that they be rated in the highest rating category by at least one nationally recognized rating agency.

The LOGIC I Portfolio is not secured by an insurance policy, federal deposit insurance, or other secondary guarantee.

Interest Rate Risk. The prices of debt securities in which the LOGIC I Portfolio will invest, including bonds and debt securities issued by the U.S. Government, its agencies and instrumentalities, will change in value, that is, market price based on changes in interest rates. If rates increase, the value of these investments generally declines. Interest rate changes have a greater effect on the price of fixed income securities with longer maturities. The LOGIC I Portfolio may invest in variable and floating rate securities. Although these instruments are generally less sensitive to interest rate changes than fixed rate instruments, the value of floating rate and variable securities may decline if their interest rates do not rise as quickly, or as much, as general interest rates.

During periods when interest rates are low or there are negative interest rates, the Portfolio's yield (and total return) also may be low or the Portfolio may be unable to maintain positive returns.

Stable Net Asset Value Risk. The LOGIC I Portfolio seeks to preserve the net asset value (NAV) of the Participants' investment at \$1.00 per unit. The Administrators have policies and procedures in place to monitor the Portfolio's NAV and to take action to minimize market risk; however, the Portfolio cannot guarantee a \$1.00 NAV. The value of the Portfolio is dependent on timely receipt of the amounts due on the obligations in the Portfolio. Any delays or failures in receipt of payments or periods of low interest or negative interest rates may adversely affect the NAV of the Portfolio. Units in the LOGIC I Portfolio are subject to investment risks, including possible loss of principal amount invested.

Market Risk. The market price of securities owned by the LOGIC I Portfolio may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries. Global events that may affect the market price of securities include war, terrorism, environmental disasters, natural disasters or events, country instability and infectious disease epidemics or pandemics, such as COVID-19. Geopolitical events that may affect the price of securities include inflation, deflation, debt crises and downgrades, embargoes, tariffs, and other governmental trade or market control programs. The U.S. government and other issuers of securities do not guarantee the market price of their securities.

Management Risk. The LOGIC I Portfolio is subject to management risk and it may not achieve its objective if the Investment Manager's expectations regarding particular instruments or interest rates are not met.

Concentration Risk. Because the LOGIC I Portfolio will, under ordinary circumstances, invest a significant portion of its assets in securities of companies in the banking industry, developments affecting the banking industry may have a disproportionate impact on the Portfolio. These risks generally include interest rate risk, credit risk and risk associated with regulatory changes in the banking industry. The profitability of banks depends largely on the availability and cost of funds, which can change depending on economic conditions.

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Non-U.S. Issuers of Commercial Paper. All commercial paper in the LOGIC I Portfolio is denominated in U.S. dollars; however, some of the entities issuing the commercial paper are headquartered outside of the U.S. and subject to the laws of jurisdictions where economic or political conditions may be less favorable than those in the United States. Risks include capital controls and the imposition of foreign withholding taxes. The investment manager will perform a credit analysis on all commercial paper purchased into the portfolio and any commercial paper issued by non-U.S. entities will have at least the same financial strength as the domestic issuers approved for the Portfolio.

Liquidity Risk. Trading opportunities are more limited for fixed income securities that are not widely held. These features make it more difficult to sell or buy securities at a favorable price or time. Consequently, the LOGIC I Portfolio may have to accept a lower price to sell a security, sell other securities to raise cash or give up on an investment opportunity, any of which could have a negative impact on the Portfolio's performance.

Transactions Risk. The LOGIC I Portfolio could experience a loss and its liquidity may be negatively impacted when selling securities to meet withdrawal requests by Participants. The risk of loss increases if the withdrawal requests are unusually large or frequent or occur in times of overall market turmoil or declining prices. Similarly, large deposits may adversely affect the LOGIC I Portfolio's performance to the extent that the LOGIC I Portfolio is delayed in investing new cash and is required to maintain a larger cash position than it ordinarily would.

Cybersecurity Risk. Use of technology to conduct business could subject the Portfolio and its third-party service providers (including the Administrators) to risks associated with cybersecurity. If a cybersecurity attack is successful, an unauthorized person could misappropriate assets or sensitive information, corrupt data, or cause operational disruption. The Administrators have developed technological safeguards and business continuity plans to prevent or reduce the impact of potential cybersecurity incidents. Despite these measures, a cybersecurity incident still has the potential to cause harm to the Portfolio and its Participants.

RATINGS

In compliance with the Public Funds Investment Act, all portfolios will maintain a AAAm or equivalent rating from at least one nationally recognized rating agency. Units of the LOGIC I Portfolio have been assigned a rating of "AAAm" by Standard & Poor's. An explanation of the significance of such ratings may be obtained from Standard & Poor's, 1221 Avenue of the Americas, New York, NY 10041.

ELIGIBILITY TO INVEST

The Public Funds Investment Act sets out the entities which may invest in LOGIC, each of which is defined in this document as a "Government Entity". According to the Public Funds Investment Act, a local government, a state agency, or a nonprofit corporation acting on behalf of a local government or a state agency may invest in a local government investment pool, like LOGIC. A local government is defined as a municipality, a county, a school district, a district or authority created under Section 52(b)(1) or (2), Article III, or Section 59, Article XVI, Texas Constitution (such as a municipal utility district, water control and improvement district, or navigation district), a fresh water supply district, a hospital district, and any political subdivision, authority, public corporation, body politic, or instrumentality of the State of Texas, and any nonprofit corporation acting on behalf of any of those entities. A state agency is defined as an office, department, commission, board, or other agency that is part of any branch of state government, an institution of higher education, and any nonprofit corporation acting on behalf of any of those entities.

ADMINISTRATION OF THE POOL

The Pool Structure. By entering into the Agreement, Participants establish a public funds investment pool and trust entitled Local Government Investment Cooperative (LOGIC) and designate the Board of Trustees of the Pool as an agency and instrumentality of the Participants and agree that it will be

LOGIC INFORMATION STATEMENT

the governing body of the Pool and trustee of the Participant funds deposited into the Pool for the benefit of the Participants. The Pool holds legal title to all money, investments and other assets of the Pool and, through the Board, has the authority to employ personnel, engage in other administrative activities and provide other administrative services necessary to accomplish the objectives of the Pool.

The Board and the Bylaws. Pursuant to the Agreement, the business and affairs of the Pool are required to be managed by the Board, and the Board is authorized to adopt and maintain bylaws (the "Bylaws"). The Bylaws set forth procedures governing the selection of, and action taken by, the members of the Board. The Bylaws provide for a five-member Board consisting of individuals who are Participant employees or officers or elected officials. A maximum of two ex officio board members are representatives of the Administrators of the Pool.

The Board may remove any trustee if (a) a trustee who was an appointed or elected official or employee of a Participant at the time he or she became a trustee, ceases to be an elected or appointed official or employee of the Participant, (b) the trustee files personal bankruptcy or is adjudicated an incompetent, or (c) the Participant for which the trustee is an elected or appointed official or an employee ceases to be a Participant. The Board will fill any vacancy resulting thereby or otherwise in accordance with the Bylaws. Trustees will have three-year terms. Board members serve without compensation but are entitled to reimbursement of reasonable out-of-pocket expenses incurred in the performance of Board duties.

The Board consists of the following individuals:

<u>Name</u>	<u>Board Position and Term</u>	<u>Affiliation</u>
Sandra Newby	President - 12/31/2027	Tarrant Regional Water District
Greg Jordan	Vice President/2 nd Investment Officer - 12/31/2026	Fort Worth Transportation Authority
Darla Moss	Treasurer/Investment Officer - 12/31/2026	Arlington Independent School District
Jeanne Chipperfield	Secretary - 12/31/25	North Texas Municipal Water District
David Medanich	Ex Officio Trustee	Hilltop Securities Inc. and Hilltop Asset Management, LLC
Andrew Linton	Ex Officio Trustee	J.P. Morgan Investment Management Inc.

Mr. Medanich is a director and officer of Hilltop Securities Inc. and Hilltop Securities Asset Management, LLC. Hilltop Securities Inc. has contracted with the Pool to serve as Administrator to provide distribution and marketing services. Hilltop Asset Management, LLC has contracted with the Pool to serve as Administrator to provide administrative and Participant services. He has no voting powers.

Mr. Linton is an executive director for J.P. Morgan Asset Management Inc. J.P. Morgan Investment Management Inc. has contracted with the Pool to serve as Administrator to provide services including investment management, transfer agency, fund accounting and custodial services. He has no voting powers.

Primary duties of the Board include, but are not limited to, adoption of the Investment Policies, Operating Policies, and the Bylaws, appointing officers, and employing the Administrators and other service providers. The meetings of the Board are open to the public.

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Advisory Board. The Board appoints an Advisory Board of Participant employees, officers or elected officials and individuals who do not have a business relationship with the Pool and are qualified to advise it. The Board consists of the following individuals:

<u>Name</u>	<u>Term</u>	<u>Affiliation</u>
Kelvin Bryant	9/30/28	City of McKinney
Monte Mercer	9/30/27	North Central Texas Council of Governments

Administrators. The Board has entered into a contract with Hilltop Securities Inc., Hilltop Securities Asset Management, LLC and J.P. Morgan Investment Management Inc. to provide distribution, marketing, administrative and Participant, investment management, fund accounting, and transfer agency services for the Pool (the "Agreement"). These duties also include receiving Pool applications, providing a record-keeping system for the Pool, processing deposits, withdrawals and other requests, preparing monthly reports to the Board and Participants on the performance of the Portfolios and the net asset value per Unit, and providing day to day contact with Participants. DST Asset Manager Solutions, Inc. ("DTS") has subcontracted to provide transfer agency services. DTS and each of the Administrators or its affiliates may provide certain services, including those described herein, through the use of subcontractors or delegates.

Custodian. JPMorgan Chase Bank, N.A. is the custodian for the Pool. The Custodian will receive and disburse all Participant deposits and withdrawals, settle all portfolio trades, safekeep certain securities, and collect all income or any other payment due in connection with purchased securities. The Custodian or its affiliates may provide certain services, including those described herein, through the use of subcontractors or delegates.

LIABILITY LIMITATIONS

None of the Board, the Investment Officers selected by the Board, or the officers and employees of the Board will be held liable for any action or omission to act on behalf of the Pool or the Participants unless caused by such person's fraud, willful malfeasance, or bad faith. To the fullest extent permitted by law, any obligation of LOGIC shall be payable solely from the assets held by LOGIC, and none of the Unitholders, whether past, present, or future, shall be personally liable therefor.

The Administrators have agreed to indemnify and hold harmless the Pool and the Board from any loss, liability or cost (including reasonable attorney's fees) which is not covered by insurance proceeds and which the Pool and the Board may sustain, incur or assume as a result of claims resulting from or arising out of the negligence of the Administrators in connection with the provision of Administrator services under the Agreement, unless such claims result from gross negligence, fraud or willful misconduct of the Pool or the Board. To the extent that a Administrator delegates all or a part of its responsibilities under the Agreement, the Administrator will be responsible for compliance with the terms of the Agreement to the same extent as if such Administrator itself had acted or failed to act instead of the delegate.

None of the Administrators guarantees the performance of the assets of the Pool or any specific level of performance, that the Pool will maintain a net asset value per Unit of \$1.00, the success of any investment decision or strategy that the Administrators may use, or the success of the Administrators' overall management of the Pool. Investment decisions made for the Pool by the Administrators are subject to various market, currency, economic, political and business risks, and that those investment decisions may not always be profitable.

PORTFOLIO TRANSACTIONS

The Investment Manager has no obligation to deal with any dealer or group of dealers in the

LOGIC INFORMATION STATEMENT

execution of transactions in portfolio securities of the Pool. The securities in which the Portfolios will be invested are normally purchased directly from the issuer or from a dealer in such securities. Where possible, the Investment Manager deals directly with the dealers who make a market in the securities involved except in those circumstances where better prices and execution are available elsewhere. It is the policy of the Pool to obtain the best net results in conducting portfolio transactions, taking into account such factors as price, the size, type and difficulty of the transactions involved, the firm's general execution and operations facilities, and the provision of supplemental investment research by the firm. The Portfolio securities of the Pool are traded on a net basis and do not involve either brokerage commissions or transfer taxes.

The Investment Manager may dispose of securities without regard to the time they have been held when such actions, for defensive or other portfolio management reasons, appear advisable. High portfolio turnover involves correspondingly greater transaction costs, which are borne directly by the Pool.

Portfolio investments will not be purchased from or sold to the Administrators or any affiliate of any Administrator. Investments may be sold by one Portfolio to another Portfolio at the prevailing market prices.

Settlement of all transactions shall be conducted on a delivery versus payment (DVP) basis.

OPERATING EXPENSES

The Administrators' fee hereunder for LOGIC I shall be accrued daily and paid monthly at an annual rate of 9.75 basis points (0.0975%), based on the total of all Participants' balances in LOGIC I at the end of each day. This fee includes other operating expenses including, but are not limited to, expenses of the Board, including directors and officers liability insurance, legal, audit and accounting expenses, the costs of safekeeping, settlement, cash movement and banking services provided by the Custodian, rating agency fees, non-recurring expenses, deferred organizational expenses, and expenses of preparing, printing and mailing Information Statements, reports, notices and proxy materials to Participants.

ANNUAL AUDIT

The financial statements of the Pool will be examined and a certification issued by an independent certified public accounting firm, following the close of each fiscal year. The examination will include reconciliation of securities held by the Custodian and a review of the Pool's internal controls over financial reporting as a basis for designing auditing procedures for the purpose of expressing an opinion on the financial statements. An annual report including the auditor's opinion, following its completion, is available upon request to each Participant of record as of the close of the Pool's fiscal year, which ends August 31 ("Annual Report"). The Board has retained PriceWaterhouseCoopers, LLP, 2121 North Pearl Street, Suite 2000, Dallas, Texas 75201, to audit its financial statements for fiscal year ending August 31, 2023.

PARTICIPATING IN THE POOL

New Accounts. To become a Participant in the Pool, a Government Entity's governing body (e.g., board of trustees, city council, etc.) must adopt a resolution approving an Application for Participation in LOGIC and authorizing specified officers of the Government Entity to execute the Application. The Application for Participation contains the Government Entity's agreement with other LOGIC Participants and the LOGIC Board of Trustees to the terms and conditions in the LOGIC Participation Agreement and Trust Instrument. The Application also designates Authorized Representatives to open accounts, to deposit and withdraw funds, to agree to the terms for use of the website for online transactions, and to designate other Authorized Representatives.

Following adoption of the resolution, the Government Entity must complete and send the completed LOGIC application form with a certified copy of the resolution. A Government Entity may become a Participant and open an account with the Pool without being obligated to deposit any money or otherwise actively participate in the Pool.

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The Pool will request a Government Entity to provide its investment policy for review under the Public Funds Investment Act. The Government Entity will receive confirmation from the Pool that it has reviewed the policy and has implemented reasonable procedures and controls in an effort to preclude investment activities between the Pool and the Government Entity that are not authorized by the Government Entity's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the Government Entity's entire portfolio or requires an interpretation of subjective investment standards.

Deposits. Deposits (including new accounts) are required to be made by either Automated Clearing House electronic funds transfer ("ACH") or wire transfer through the Federal Reserve Bank System ("Wire Transfer"). Deposits will be accepted by the Pool on any business day.

In the case of a Wire Transfer deposit, the Participant must notify LOGIC of any wire deposit transaction requests by 4:00 p.m. CST if using the internet transaction system or by 3:30 p.m. CST when contacting a Participant Services Representative.

In addition to notifying LOGIC, the Participant must instruct its local bank to wire funds to LOGIC by 4:00 p.m. CST. All incoming wire deposits must be received by 4:00 p.m. CST, to earn interest for that day. Any wire deposits received after 4:00 p.m. CST will not be invested until the following business day.

ACH transaction requests will be executed on the business day following the date the transaction was initiated if requested in accordance with the daily transaction deadlines for the pool. In the case of an ACH deposit, the Participant must notify LOGIC by 4:00 p.m. CST one business day prior to the settlement date when using the internet transaction system or by 3:30 p.m. CST one business day prior to the settlement date when contacting a Participant Services Representative. ACH transactions are processed in accordance with the prearranged Participant information as provided on the bank information sheet corresponding to that specific LOGIC account or subaccount. In the event of an ACH rejection, LOGIC will contact the Participant to confirm the rejection. LOGIC will credit/debit the Participant's account accordingly.

Transfers. Participants may transfer funds from one of their LOGIC sub-accounts to another of their LOGIC sub-accounts. In the case of an internal transfer, the participant must notify LOGIC of any internal transfer transaction requests by 4:00 p.m. CST if using the internet transaction system or by 3:30 p.m. CST when contacting a Participant Services Representative.

The procedures for transfers are described in the Operating Policies.

Business Days. The Pool will determine on an annual basis the business days on which it will conduct operations.

WITHDRAWALS

Withdrawals are required to be made by either Automated Clearing House electronic funds transfer ("ACH") or wire transfer through the Federal Reserve Bank System ("Wire Transfer"). Withdrawals will be processed from the LOGIC I Portfolio on any business day (or in the event such day is not a business day, on the next preceding business day).

Wire transfer withdrawal transaction requests will be executed on the same day as initiated. In the case of a Wire Transfer withdrawal, the Participant must notify LOGIC either by 4:00 p.m. CST using the internet transaction system or by 3:30 p.m. CST by contacting a Participant Services Representative.

ACH transaction requests will be executed on the business day following the date the transaction was initiated if requested in accordance with the daily transaction deadlines for the pool. In the case of an ACH withdrawal, the Participant must notify LOGIC by 4:00 p.m. CST one business day prior to the settlement date using the internet transaction system or by 3:30 p.m. CST one business day prior to the

LOGIC INFORMATION STATEMENT

settlement date when contacting a Participant Services Representative. ACH transfer withdrawals are sent in accordance with the prearranged Participant information as provided on the bank information sheet corresponding to that specific LOGIC account or subaccount. In the event of an ACH rejection, LOGIC will contact the Participant to confirm the rejection. LOGIC will credit/debit the Participant's account accordingly.

In all cases, the Participant must provide the following information: name, identifying access code, Pool account number and the amount to be withdrawn. The amount requested to be withdrawn cannot exceed the net asset value of the Participant's account on the date such notice is given.

LOGIC reserves the right to suspend the right of withdrawal or to postpone the date of payment in the event that the Federal Reserve is closed other than for customary weekend and holiday closings, in the event of a general suspension of trading in any securities market which affects LOGIC operations, or if, in the opinion of the Board, an emergency exists so that the disposal of LOGIC's securities or determination of its net asset value is not reasonably practical.

PARTICIPANT FEES AND EXPENSES

A Participant's account will be directly charged for the cost of any special services rendered at the request of the Participant. A Participant's account will also be charged with all actual costs and expenses associated with extraordinary events affecting such account including, but not limited to, losses of investment income to the Pool associated with ACH returns or by failure to timely transmit a wire transfer for deposit, unless such failure was beyond the control of the Participant.

REPORTS TO THE PARTICIPANTS

Participants receive a transaction confirmation detailing each deposit, withdrawal, transfer, and exchange. Each Participant also receives a monthly statement of its account showing the current balance in its account and all activity since the prior monthly report. The Pool will issue an Annual Report containing financial statements audited by the Pool's independent auditors.

AMENDMENT OF POOL DOCUMENTS

The Investment Policies, the Operating Procedures, and the Bylaws may be amended by the Board, provided that notice of any such amendment which the Board determines materially affects the Participants is sent to all affected Participants at least 30 days prior to the effective date thereof. Amendments to the Agreement by the Board require that notice be sent to Participants at least 60 days prior to the effective date thereof. Copies of the Agreement, Investment Policies, Operating Procedures, and the Bylaws can be obtained from the Administrators.

GLOSSARY

Some of the terms used in this Information Statement are described below:

"Bankers' Acceptances" are negotiable obligations of a bank to pay a draft which has been drawn on it by a customer. These obligations are backed by large banks and usually by goods in international trade, as well. The Public Funds Investment Act requires that a bankers' acceptance authorized for investment by Government Entities have a stated maturity of 270 days or fewer from the date of its issuance, be, in accordance with its terms, liquidated in full at maturity, be eligible for collateral for borrowing from a Federal Reserve Bank, and be accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating agency.

"Commercial Paper" consists of short-term promissory notes of corporations and other business

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entities issued to finance their current operations. The Public Funds Investment Act requires that commercial paper authorized for investment by Government Entities have a stated maturity of 270 days or fewer from the date of its issuance and be rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies, or be rated A-1 or P-1 or an equivalent rating by one nationally recognized rating agency and be fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state.

“Dollar-weighted average portfolio maturity” or “WAM” is calculated by taking an average of the period remaining until the date on which, in accordance with the terms of each security, the principal amount must unconditionally be paid, or in the case of a security called for redemption, the date on which the redemption payment must be made, weighted by the book value of each security, except that Floating Rate Securities and Variable Rate Securities are considered to have the maturities as set forth below. A government Floating Rate Security or any Floating Rate Security, the principal amount of which must unconditionally be paid in 397 calendar days or less, is deemed to have a maturity of one day. A Variable Rate Security, the principal amount of which must unconditionally be paid in 397 calendar days or less, is deemed to have a maturity equal to the earlier of the period remaining until the next interest rate adjustment or the period remaining until the principal amount can be recovered through demand.

“Floating Rate Security” means a security the terms of which provide for the adjustment of its interest rate whenever a specified interest rate changes and that, at any time until the final maturity of the instrument or the period remaining until the principal amount can be recovered through demand, can reasonably be expected to have a market value that approximates its amortized cost.

“Fully Collateralized” in the case of a repurchase agreement means that:

(i) The value of the securities collateralizing the repurchase agreement (reduced by the transaction costs (including loss of interest) that the Pool reasonably could expect to incur if the seller defaults) is, and during the entire term of the repurchase agreement remains, at least equal to 102% of the Resale Price provided in the agreement;

(ii) Either the Pool or its custodian has actual physical possession of the collateral or, in the case of a security registered on a book entry system, the book entry is maintained in the name of the Pool or its custodian;

(iii) The collateral consists entirely of cash items or Government securities;

and

(iv) Upon an event of insolvency with respect to the seller, the repurchase agreement would qualify under a provision of applicable insolvency law providing an exclusion from any automatic stay of creditors’ rights against the seller.

“Repurchase Agreements” are transactions by which the Pool purchases a security and simultaneously commits to resell that security to the seller at an agreed upon Resale Price on an agreed upon date within a number of days from the date of purchase. The Resale Price reflects the purchase price plus an agreed upon market rate of interest which is unrelated to the coupon rate or maturity of the purchased security. A repurchase agreement involves the obligation of the seller to pay the agreed upon price, which obligation is in effect secured by the value of the underlying security.

“Resale Price” means the acquisition price paid to the seller of securities plus the accrued resale premium on such acquisition price. The accrued resale premium shall be the amount specified in the repurchase agreement or the daily amortization of the difference between the acquisition price and the resale price specified in the repurchase agreement.

“Reverse Repurchase Agreements” are transactions by which the Pool sells a security to another party, such as a bank or broker-dealer, in return for cash and agrees to repurchase the instrument at a particular price and time. The Pool must invest the cash it receives. If the Pool reinvests the cash at a rate

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higher than the cost of the agreement, it may earn additional income. Under the Public Funds Investment Act, a reverse repurchase agreement may not have a term greater than 90 days.

“Rule 2a7” refers to Rule 2a-7 of the Investment Company Act of 1940, 17 C.F.R. § 270.2a-7, as may be amended from time to time.

“SEC Registered Money Market Fund” is an investment that pools shareholders’ money, is described in a prospectus filed with the Securities and Exchange Commission, and meets the regulations of the SEC applicable to a money market mutual fund, including a requirement that the fund have an effective dollar-weighted average portfolio maturity of 60 days or less and that it have as an investment objective the maintenance of a stable net asset value of \$1 for each share.

“United States Government Obligations” are debt securities (including bills, certificates of indebtedness, notes, and bonds) issued by the United States Treasury or by an agency or instrumentality of the United States Government which is established under the authority of an act of Congress. Although all obligations of agencies and instrumentalities are not direct obligations of the United States Treasury, payment of the interest and principal on these obligations generally is backed directly or indirectly by the United States Government. This support can range from backing of the full faith and credit of the United States (United States Treasury securities), to United States Government guarantees, or to the backing solely of the issuing instrumentality itself.

“Variable Rate Security” or “Variable Rate Note” means a security the terms of which provide for the adjustment of its interest rate on set dates (such as the last day of a month or calendar quarter) and that, upon each adjustment until the final maturity of the instrument or the period remaining until the principal amount can be recovered through demand, can reasonably be expected to have a market value that approximates its amortized cost.

In Process

March 2025



J.P.Morgan
Asset Management

717 N. HARWOOD STREET, SUITE 3400

DALLAS, TX 75201

800.895.6442

LOGIC.ORG

LOGIC@HILLTOPSECURITIES.COM



LOGIC ENROLLMENT STEPS

In order for a governmental entity to enroll in LOGIC, the following procedures should be performed.

1. Submit the *Resolution* in the form entitled ***Application for Participation in LOGIC*** to the entity's governing body for approval.
2. Complete and sign the ***Application for Participation in LOGIC***. The *Resolution* in the form of the application should be signed by Board President, County Judge, or City Mayor and attested by Board Secretary, County Clerk, or City Secretary. The entity seal should be included in the space provided. A notary seal is unacceptable.
3. Complete a ***Bank Instruction Form*** for each account to be opened.
4. Send all completed documentation with original signatures and ***an approved investment policy of the enrolling entity*** to our email or fax number below:

Email: logic@hilltopsecurities.com

Fax: 214.953.8878

5. Enrollment documentation will ordinarily be processed within five (5) business days of receipt.

SAMPLE AGENDA LANGUAGE

Short versions:

(1) Approval of LOGIC Investment Pool as an Authorized Investment

(2) Approval of Application for Participation in the Local Government Investment Cooperative (LOGIC)

Long versions:

(1) Recommendation to Approve an Application for Participation in the Local Government Investment Cooperative (LOGIC) Trust. Included in the agenda exhibit is information pertaining to the application. It is recommended that the Board approve the application as submitted.

(2) Recommendation to Approve an Application for Participation in the Local Government Investment Cooperative (LOGIC) Trust. Included in the agenda exhibit is information pertaining to the application. It is recommended that the Board approve the application as submitted to provide the district with an additional investment option emphasizing safety and liquidity.



APPLICATION FOR PARTICIPATION IN LOGIC

The undersigned local government (Applicant) applies and agrees to become a Participant in the Local Government Investment Cooperative (LOGIC) Trust.

- 1. Authorization.** The governing body of Applicant has duly authorized this application by adopting the following resolution at a meeting of such governing body duly called, noticed, and held in accordance with the Texas Open Meeting Law, chapter 551, Texas Government Code, on _____, 20__:

WHEREAS, it is in the best interests of this governmental unit ("*Applicant*") to invest its funds jointly with other Texas eligible investing entities in the Local Government Investment Cooperative (LOGIC) Trust in order better to preserve and safeguard the principal and liquidity of such funds and to earn an acceptable yield; and

WHEREAS, Applicant is authorized to invest its public funds and funds under its control in LOGIC and to enter into the Participation Agreement and Trust Instrument authorized herein;

NOW, THEREFORE, BE IT RESOLVED THAT:

SECTION 1. The form of application for participation in LOGIC attached to this resolution is approved. The officers of Applicant specified in the application are authorized to execute and submit the application, to open accounts, to deposit and withdraw funds, to agree to the terms for use of the website for online transactions, to designate other authorized representatives, and to take all other action required or permitted by Applicant under the Agreement created by the application, all in the name and on behalf of Applicant.

SECTION 2. This resolution will continue in full force and effect until amended or revoked by Applicant and written notice of the amendment or revocation is delivered to the LOGIC Board of Trustees.

SECTION 3. Terms used in this resolution have the meanings given to them by the application.

- 2. Agreement.** Applicant agrees with other LOGIC Participants and the LOGIC Board of Trustees to the terms and conditions in the Participation Agreement and Trust Instrument, effective on this date, which are incorporated herein by reference. Applicant makes the representations, designations, delegations, and representations described in the Participation Agreement and Trust Instrument.

- 3. Taxpayer Identification Number.** Applicant's taxpayer identification number is _____

- 4. Contact Information.**

Applicant primary mailing address: _____

Applicant physical address (if different): _____

Applicant main phone number: _____

Applicant main fax number: _____

- 5. Authorized Representatives.** Each of the following Participant officials is designated as Participant's Authorized Representative authorized to give notices and instructions to the LOGIC Board of Trustees in accordance with the Agreement, the Bylaws, the Investment Policy, and the Operating Procedures:

1. Name: _____ Title: _____

Signature: _____ Phone: _____

Email: _____

2. Name: _____ Title: _____

Signature: _____ Phone: _____

Email: _____

3. Name: _____ Title: _____

Signature: _____ Phone: _____

Email: _____

4. Name: _____ Title: _____

Signature: _____ Phone: _____

Email: _____

{REQUIRED} PRIMARY CONTACT: List the name of the Authorized Representative **listed above** that will be designated as the Primary Contact and will receive all LOGIC correspondence including transaction confirmations and monthly statements.

Name: _____

{OPTIONAL} INQUIRY ONLY CONTACT: In addition, the following additional Participant representative (**not listed above**) is designated as an ***Inquiry Only*** Representative authorized to obtain account information:

Name: _____ Title: _____

Signature: _____ Phone: _____

Email: _____

In Process

Applicant may designate other authorized representatives by written instrument signed by an existing Applicant Authorized Representative or Applicant's chief executive officer.

**REQUIRED
PLACE OFFICIAL SEAL OF ENTITY HERE**

DATED _____

(NAME OF ENTITY/APPLICANT)

SIGNED BY:

(Signature of official)

(Printed name and title)

ATTESTED BY:

(Signature of official)

(Printed name and title)

FOR INTERNAL USE ONLY HTSLGIP082320241203
APPROVED AND ACCEPTED: LOCAL GOVERNMENT INVESTMENT COOPERATIVE (LOGIC)

.....
AUTHORIZED SIGNER

DATE

V082023



BANK INSTRUCTION FORM

PLEASE NOTE THAT A LOGIC REPRESENTATIVE WILL CALL TO VERIFY INSTRUCTIONS AND USER ID WITH BOTH AUTHORIZED REPRESENTATIVES WHO SIGNED THIS FORM.

PLEASE SELECT ONE OF THE FOLLOWING:

- NEW ACCOUNT: NAME _____
- CHANGE EXISTING ACCT: _____
- APPLY CHANGE TO ALL ACCOUNTS

EFFECTIVE DATE: _____

PARTICIPANT NAME: _____

ACCOUNT NUMBER: _____

Add Bank Instruction:

PLEASE INDICATE IF THIS WILL BE THE PRIMARY BANK INSTRUCTION OR ADDITIONAL BANK INSTRUCTION

SELECT ONE OF THE FOLLOWING WIRE AND ACH WIRE ONLY ACH ONLY

Bank Name: _____ City: _____

Bank ABA Number (9 digits): _____ Bank ABA for ACH (if different) (9 digits): _____

Bank Account Number: _____ Bank Account Name: _____

Correspondent Bank Name (if any): _____

Correspondent Bank ABA Number: _____ Account Number: _____

Delete Bank Instruction:

PLEASE INDICATE IF THIS WILL BE THE PRIMARY BANK INSTRUCTION OR ADDITIONAL BANK INSTRUCTION

SELECT ONE OF THE FOLLOWING WIRE AND ACH WIRE ONLY ACH ONLY

Bank Name: _____ City: _____

Bank ABA Number (9 digits): _____ Bank ABA for ACH (if different) (9 digits): _____

Bank Account Number: _____ Bank Account Name: _____

Correspondent Bank Name (if any): _____

Correspondent Bank ABA Number: _____ Account Number: _____

** If ACH availability is selected, I hereby authorize JPMorgan Chase Bank, N.A. to directly deposit and withdraw funds by means of ACH electronic transfer to and from the financial institution and the account designated above ("Designated Account"). I agree that this authorization may be withdrawn with at least 45-days advance written notice to LOGIC Participant Services. I understand that the LOGIC reserves the right to discontinue ACH electronic transfer without advance notice. I also authorize JPMorgan Chase Bank, N.A. to deduct from the Designated Account or from subsequent deposits made to the Designated Account all amounts deposited in error. I authorize JPMorgan Chase Bank, N.A. to credit all amounts withdrawn in error to Designated Account.*

NOTE: This authorization must be executed by two current Authorized Representatives of the Participant on file with LOGIC. As a current Authorized Representative, I certify that the above information is both true and correct.

Authorized Representative Signature Printed Name Title Date

Authorized Representative Signature Printed Name Title Date

Please complete this form either all typed or all handwritten. Forms with alterations (i.e. white out, mark out, etc.) will **NOT** be accepted.

LOGIC Participant Services
Email forms to: logic@hilltopsecurities.com
Phone: 800.895.6442 * Fax: 214.953.8878

STARBASE

X

CITY COMMISSION AGENDA MEMO

TO: Mayor and City Commission

FROM: City Administrator

MEETING DATE: May 28, 2026

ITEM: I.7

SUMMARY The City Commission is requested to approve a resolution authorizing the City's participation in the Texas Short Term Asset Reserve Program (TexSTAR).

BACKGROUND TexSTAR is a cooperative investment pool created specifically for Texas cities, counties, and other local governments. It functions like a safe government money-market account: the City can pool its funds with other public entities to invest in short-term, high-quality securities.

This provides strong safety of principal, easy access to cash when needed (liquidity), and competitive returns — all while fully complying with the City's Investment Policy and state law.

The attached resolution approves the City's participation in the TexSTAR Cash Reserve Fund, authorizes the execution of the Application for Participation and related documents, and designates authorized representatives.

STAFF RECOMMENDATIONS It is recommended that the resolution be approved as presented.

MOTION: "I move to approve the resolution authorizing participation in the Texas Short Term Asset Reserve Program ("TexSTAR"); approving the application for participation in the Cash Reserve Fund; designating authorized representatives; and providing an effective date."

ATTACHMENTS

- Resolution Authorizing Participation in TexSTAR
- TexSTAR Enrollment Documents and Application for Participation (I7 TexSTAR Enrollment Docs.pdf)
- Information Statement (I7 TexSTAR Information Statement.pdf)

In Process

CITY OF STARBASE, TEXAS

RESOLUTION NO. 2026-18

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS, AUTHORIZING PARTICIPATION IN THE TEXAS SHORT TERM ASSET RESERVE PROGRAM (“TexSTAR”); APPROVING THE APPLICATION FOR PARTICIPATION IN THE CASH RESERVE FUND; DESIGNATING AUTHORIZED REPRESENTATIVES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Starbase, Texas (the “City”) is a Type C general-law municipality and a local government as defined in the Public Funds Investment Act, Chapter 2256 of the Texas Government Code; and

WHEREAS, the City adopted an Investment Policy and Strategy (the “Investment Policy”) on April 15, 2026; and

WHEREAS, the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (the “PFIA”), authorizes eligible governmental entities, including municipalities, to invest public funds through investment pools such as the Texas Short Term Asset Reserve Program (“TexSTAR”); and

WHEREAS, TexSTAR has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the PFIA, and is governed by a Board of Directors; and

WHEREAS, the City Commission has reviewed the TexSTAR Information Statement for the Cash Reserve Fund dated March 2025, which describes the objectives of TexSTAR (preservation and protection of principal, maintenance of sufficient liquidity, and yield), the authorized investments, diversification guidelines, operating procedures, risks, and other relevant information, and is attached hereto as Exhibit A; and

WHEREAS, TexSTAR maintains a AAA rating by S&P Global Ratings (Standard & Poor’s); and

WHEREAS, participation in TexSTAR is consistent with the City’s Investment Policy and is in the best interest of the City for the safe, liquid, diverse, and competitive investment of public funds; and

WHEREAS, to participate in TexSTAR, the City must duly authorize, execute, and submit an application for participation and designate authorized representatives;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS THAT:

Section 1. The City of Starbase is hereby authorized to participate in TexSTAR, including the Cash Reserve Fund, as described in the TexSTAR Information Statement, attached hereto as Exhibit A.

Section 2. The form of Application for Participation in TexSTAR is hereby approved, and the Mayor, City Manager (or designee), and/or the City's Investment Officer are authorized to execute and submit the Application for Participation and any other documents necessary or appropriate to establish and maintain the City's participation in TexSTAR.

Section 3. The following individuals are hereby designated as authorized representatives with authority to transfer funds for investment, to withdraw funds, to issue letters of instructions, and to take all other actions necessary or appropriate for the investment of funds in TexSTAR (any one of whom may act individually):

- Mayor
- City Administrator (or designee)

Section 4. The City Clerk is authorized to attest to this Resolution and to provide certified copies as required.

Section 5. Severability. It is hereby declared to be the intention of the City Commission that the phrases, clauses, sentences, paragraphs and sections of this Resolution are severable, and if any phrase, clause, sentence, paragraph or section of this Resolution shall be declared unconstitutional by a valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Resolution, since the same would have been enacted by the City Commission without the incorporation of this Resolution of any such unconstitutional phrase, clause, sentence, paragraph or section.

Section 6. Cumulative Repealer Clause. This Resolution shall be cumulative of all provisions of resolutions of the City except where the provisions of this Resolution are in direct conflict with the provisions of such resolutions, in which event the conflicting provisions of such resolutions are hereby repealed.

Section 7. Public Meeting. It is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given, all as required by Section 551.041, Texas Government Code.

Section 8. Enrollment and Engrossment. The City Clerk is hereby directed to enroll and engross this Resolution by reflecting the passage of this Resolution in the minutes of the City Commission and by filing this Resolution in the Resolution Records of the City.

Section 9. This Resolution shall become effective immediately upon its passage and approval.

PASSED AND APPROVED by the City Commission of the City of Starbase, Texas, this 28th day of May, 2026.

CITY OF STARBASE:

Bobby Peden, Mayor

ATTEST:

Gretchen Norton, City Clerk

APPROVED AS TO FORM:

City Attorney

In Process

TexSTAR



Information Statement

Cash Reserve Fund
March 2025

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No person or entity has been authorized to provide or communicate any information or to make any representations other than those contained in this Information Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by TEXSTAR, its Board of Directors, the program administrators or any agent of the foregoing. The attachments are part of this Information Statement. The information contained in this document is subject to change without prior notice.

The Units in TexSTAR have not been registered under the Securities Act of 1933, as amended, or any state securities law. The Securities and Exchange Commission (“SEC”) has not passed upon the accuracy or adequacy of this Information State or approved Units in TexSTAR for sale.

The TexSTAR Information Statement should be read carefully before investing. Investors should consider the investment objectives, risks, charges and expenses associated with this or any security prior to investing. Investments in TexSTAR are not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency and although TexSTAR seeks to preserve the value of the investment at a fixed price, it is possible to lose money by investing in the fund. For further information, contact TexSTAR Participant Services at (800) 839-7827.

TexSTAR is distributed by Hilltop Securities Inc., a registered broker dealer, member FINRA/SIPC. If you have any questions regarding this material, please contact:

TEXSTAR Participant Services
c/o Hilltop Securities Inc.
717 N. Harwood Street, Suite 3400
Dallas, Texas 75201
www.texstar.org

1-800-TEXSTAR (1-800-839-7827) • (214) 953-8890 • Fax (214) 953-8878
Email: texstar@hilltopsecurities.com

TexSTAR INFORMATION STATEMENT

Organization and Structure

Texas Short Term Asset Reserve Program (“TEXSTAR”) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (the “PFIA”). These two acts provide for the creation of public funds investment pools (including TEXSTAR) and authorize eligible governmental entities (“Participants”) to invest their public funds and funds under their control through the investment pools. TEXSTAR is governed by a board of directors (the “Board”).

The Board may establish separate Funds within TEXSTAR from time to time. Participants choose the Funds in which their deposits are invested. Participants’ assets in the Funds are represented by units of beneficial interest (“units”). The Board may issue an unlimited number of units in each Fund.

This Information Statement provides information relating to investments in the TexSTAR Cash Reserve Fund (the “Fund”).

Public Funds Investment Act Disclosure Items

Section 2256.016 of the PFIA requires investment pools to provide an information statement to the investment officer or other authorized representative of an investing entity. This section provides the required information for TEXSTAR.

- 1. Objectives of TEXSTAR.** The primary objectives of TEXSTAR are, in order of priority, preservation and protection of principal, maintenance of sufficient liquidity to meet Participants’ needs, and yield. There is no sales charge and no investment minimum. TEXSTAR will invest only in instruments authorized under both the Public Funds Investment Act and the current TEXSTAR Investment Policy. See Item 2 of this section for a description of authorized TEXSTAR investments.

As a secondary objective to safety and liquidity, the Fund will be directed toward achieving a competitive rate of return for Participants. Efforts will be made to minimize market and credit risk through investment diversification.

- 2. Types of Investments Authorized for TexSTAR Cash Reserve Fund.** The investment policies and composition guidelines for the TEXSTAR Cash Reserve Fund are summarized below. The TEXSTAR Investment Policy restricts investment of the Fund portfolio as follows:

Authorized Investments:

- A.** Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks, and obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the United States or its agencies or instrumentalities, including

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obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, except as prohibited by the PFIA;

- B. Fully collateralized repurchase agreements with a defined termination date not to exceed 95 calendar days and reverse repurchase agreements with a defined termination date not to exceed 90 days (unless the repurchase agreement has a put option that allows the fund to liquidate the position at principal plus accrued interest with no more than 7 days notice to the counterparty) and secured by cash or any obligations, including letters of credit, of the United States or its agencies or instrumentalities, including the Federal Home Loan Banks. The repurchase and reverse repurchase agreements must be placed with primary government securities dealers and/or financial institutions doing business in the State of Texas.
- C. No-load money market mutual funds which meet the requirements of the PFIA and which (1) are registered with and regulated by the United States Securities and Exchange Commission (SEC), (2) provide a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940, (3) comply with SEC Rule 2a-7, (4) include in their investment objectives the maintenance of a stable net asset value of \$1 per share, and (5) invest only in obligations of the United States, its agencies and/or instrumentalities or repurchase agreements collateralized by obligations of the United States, its agencies and/or instrumentalities.

Prohibited Investments: In Process

The TEXSTAR Cash Reserve Fund *will not* invest in:

- A. Derivatives, which include instruments which have embedded features that alter their character or income stream or allow holders to hedge or speculate on a market or spreads between markets that are external to the issuer or are not correlated on a one-on-one basis to the associated index or market.
- B. Commercial paper.
- C. Certificates of deposit.

Diversification Guidelines:

Specific Fund diversification limitations govern investments of the TEXSTAR Cash Reserve Fund portfolio, applied at the time of purchase.

- A. 100% of the Fund may be invested in obligations of, unconditionally guaranteed or insured by, or backed by the full faith and credit of the United States or its agencies or instrumentalities, including the Federal Home Loan Banks.
- B. 100% of the Fund may be invested in repurchase agreements. Not more than 25% of the Fund may be invested in term repurchase agreements.

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- C. Reverse repurchase agreements will be used primarily to enhance Fund return and may not total more than one-third (1/3) of the total Fund assets.
 - D. A maximum of 10% of the Fund may be invested in any one money market mutual fund, and the Fund's investment in any one money market mutual fund may not exceed 10% of the total assets of that money market mutual fund.
 - E. A maximum of 60 percent (60%) of the Fund may be invested in eligible variable rate notes.
3. **Maximum Average Dollar-Weighted Maturity.** The dollar weighted average maturity of the TEXSTAR Cash Reserve Fund portfolio may not exceed (1) sixty (60) days calculated utilizing the period remaining until the date on which, in accordance with the terms of each security, the principal amount must unconditionally be paid, or in the case of a security called for redemption, the date on which the redemption payment must be made, and may utilize the interest rate reset date for variable or floating rate securities; or (2) one hundred twenty (120) days calculated taking into account the period remaining until the date on which, in accordance with the terms of each security, the principal amount must unconditionally be paid, or in the case of a security called for redemption, the date on which the redemption payment must be made.
 4. **Maximum Stated Maturity Date.** The maximum stated maturity for any securities that are obligations of or guaranteed or insured by the United States, its agencies or instrumentalities in the TEXSTAR Cash Reserve Fund portfolio is limited to 397 days for fixed rate securities and 25 months for variable rate notes.
 5. **Size of the Pool.** As of March 31, 2023, the TexSTAR Cash Reserve Fund had total assets of \$11,085,761,996. The current size of the TexSTAR Cash Reserve Fund is provided in the TEXSTAR monthly newsletter on the TexSTAR website at www.texstar.org or by contacting TEXSTAR Participant Services. A copy of the most recent newsletter may be obtained in connection with and in addition to this Information Statement.
 6. **Custodian and Transfer Agent for TEXSTAR.** Custodial, fund accounting and depository services for TexSTAR are provided by JPMorgan Chase Bank, N.A. and/or its subsidiary J.P. Morgan Investor Services Co. JPMorgan Chase Bank, N.A. is the principal banking affiliate of JPMorgan Chase & Co. Transfer agency services are provided by DST Asset Manager Solutions, Inc. (DST). DST and JPMorgan Chase Bank, N.A. may provide certain services, including those described herein, through the use of subcontractors or delegates. DST will receive and disburse all Participant deposits and withdrawals and JPMorgan Chase Bank, N.A. or a subcustodian will settle all Fund trades, safekeep securities, and collect all income or any other payments due in connection with purchased securities for TEXSTAR.
 7. **Net Asset Value.** The TEXSTAR Cash Reserve Fund seeks to maintain a net asset value of \$1.00 per unit (rounded to the nearest whole cent) and is designed to be used by Participants for investment of funds that require daily liquidity availability.
 8. **Source of Payment.** The only source of payment to Participants is the market value of the assets of the TEXSTAR Fund in which they invest and the income and profits

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derived from those assets. There is no secondary source of payment such as insurance or guarantees.

9. **Independent Auditor.** TEXSTAR is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. PricewaterhouseCoopers LLP has been retained to provide independent auditing services for TEXSTAR. Its address is 2121 North Pearl Street Suite 2000, Dallas, Texas 75201.
10. **Operating Procedures.** Deposits and withdrawals may be made by wire transfer or automated clearinghouse (ACH) transfer according to established operating procedures. The requirements for TEXSTAR deposits and withdrawals, deadlines, and other operating procedures are summarized under the section entitled “Summary of Operating Procedures” later in this Information Statement.
11. **Performance History.** The performance history, including yield, weighted average maturity, expense ratios and average balance for the TEXSTAR Cash Reserve Fund are available on the TEXSTAR website at www.texstar.org.
12. **Policy on Holding Deposits in Cash.** To respond to unusual market conditions in a prudent manner, TexSTAR may be required to hold all or most of its total assets in cash, including for the purpose of assuring sufficient liquidity or due to the lack of eligible securities, among other circumstances. This may result in a lower yield and prevent the Fund portfolio from meeting all its investment objectives.
13. **Administrators.** J.P. Morgan Investment Management Inc. (JPMIM), Hilltop Securities Inc. (HTS), and Hilltop Securities Asset Management, LLC (HSAM) serve as Administrators for TexSTAR under a contract that may be extended periodically to a term of two years or less. JPMIM provides investment management services, HTS provides marketing and distribution, and HSAM provides participant and administrative services for TexSTAR. JPMIM is an investment adviser registered under the Investment Advisers Act of 1940, as amended, and a subsidiary of JPMorgan Chase & Co. HTS is a registered broker dealer, member of the Financial Industry Regulatory Authority (“FINRA”), Municipal Securities Rulemaking Board (“MSRB”) and Securities Investor Protection Corporation (“SIPC”). The parent company of HTS and HSAM is Hilltop Holdings Inc.

The Administrators may be replaced by the Board for cause and they may resign. Unless their replacements are affiliates, any replacements must be approved by Participants owning two-thirds of the units in TexSTAR.

JPMIM and HTS may provide certain services, including those described herein, through the use of subcontractors or delegates.

Understanding the Risks Associated with Investing in TEXSTAR

The Cash Reserve Fund is subject to various risks, including those listed below, any of which may adversely affect the Fund’s performance and ability to meet its investment objectives. Each Participant must determine the amount of credit risk and interest rate risk that it wishes to take. Then it can determine whether the Cash Reserve Fund is appropriate for specific funds. The Cash Reserve Fund by itself does not represent a fully-balanced investment plan.

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Unlike money market mutual funds which are registered with the Securities and Exchange Commission, TexSTAR operates in compliance with the PFIA and not with Rule 2a-7 of the Investment Company of 1940.

Interest Rate Risk. The prices of debt securities in which the Cash Reserve Fund will invest, including bonds and debt securities issued by the U.S. Government, its agencies and instrumentalities, will change in value, that is, market price based on changes in interest rates. If rates increase, the value of these investments generally declines. Interest rate changes have a greater effect on the price of fixed income securities with longer maturities. The Cash Reserve Fund may invest in variable and floating rate securities. Although these instruments are generally less sensitive to interest rate changes than fixed rate instruments, the value of floating rate and variable securities may decline if their interest rates do not rise as quickly, or as much, as general interest rates.

During periods when interest rates are low or there are negative interest rates, the Fund's yield (and total return) also may be low or the Fund may be unable to maintain positive returns.

Credit Risk. Credit risk is the possibility that an issuer of a fixed income security held by the Cash Reserve Fund will default on the security by failing to pay principal or interest when due. Any class of investment is subject to this risk. Remedies against a defaulting issuer of securities are limited, and the Cash Reserve Fund may not be successful in securing repayment. A deterioration in credit quality or perceived credit quality of an investment held by the Cash Reserve Fund could reduce the market price at which the Cash Reserve Fund could sell the investment. The Investment Manager assesses the credit quality of the investments made for the Cash Reserve Fund.

The Fund may invest in obligations of the United States, its agencies and instrumentalities, and other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the United States. U.S. Treasury securities are backed by the full faith and credit of the U.S. government, meaning that the U.S. government is required to repay the principal when due. Other types of securities issued or guaranteed by federal agencies and U.S. government sponsored instrumentalities may not be backed by the full faith and credit of the U.S. Government. In this case, payment is due from the agency or instrumentality only.

The Fund enters into repurchase agreements collateralized by cash or securities with approved counterparties. The Fund may be affected in the event a repurchase agreement counterparty fails to make payment or defaults completely. The Cash Reserve Fund should be able to take possession of and sell the securities securing the counterparty's obligations; however, a loss may be realized on the sale of the underlying securities to the extent that the proceeds from the sale are less than the resale price provided in the repurchase agreement. Should a counterparty declare bankruptcy or become insolvent, the Cash Reserve Fund may incur delays and costs in selling the underlying securities. The Fund may transfer uninvested cash into joint accounts which are utilized by multiple funds managed by the investment manager or its affiliates and used to purchase repurchase agreements. Under these joint accounts, the Fund has a pro rata interest in the repurchase agreements with the other participants in the joint account pursuant to joint allocation procedures approved by all the participants. In this case any losses from a default by a counterparty or its insolvency or bankruptcy would be allocated on a pro rata basis among the participants in the joint account.

SEC registered money market funds, another permitted investment by the Cash Reserve Fund, may invest in obligations of the United States, its agencies and/or instrumentalities or

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repurchase agreements collateralized by obligations of the United States, its agencies and/or instrumentalities. The SEC establishes diversification and credit quality requirements for such funds.

An investment in the Cash Reserve Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Nor is an investment in the Cash Reserve Fund secured by an insurance policy or other secondary guarantee.

Market Risk. The market price of securities owned by the Cash Reserve Fund may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries. Global events that may affect the market price of securities include war, terrorism, environmental disasters, natural disasters or events, country instability and infectious disease epidemics or pandemics. Geopolitical events that may affect the price of securities include inflation, deflation, debt crises and downgrades, embargoes, tariffs, and other governmental trade or market control programs. The U.S. government and other issuers of securities do not guarantee the market price of their securities.

Management Risk. The Cash Reserve Fund is subject to management risk and it may not achieve its objective if the Investment Manager's expectations regarding particular instruments or interest rates are not met.

Stable Net Asset Value Risk. The Cash Reserve Fund seeks to preserve the net asset value (NAV) of the Participants' investment at \$1.00 per unit. The Administrators have policies and procedures in place to monitor the Fund's NAV and to take action to minimize market risk; however, the Fund cannot guarantee a \$1.00 NAV. The value of the Fund portfolio is dependent on timely receipt of the amounts due on the obligations in the Fund. Any delays or failures in receipt of payments may adversely affect the NAV of the Fund and may cause a loss of principal and interest to the Participants.

Transactions Risk. The Cash Reserve Fund could experience a loss and its liquidity may be negatively impacted when selling securities to meet withdrawal requests by Participants. The risk of loss increases if the withdrawal requests are unusually large or frequent or occur in times of overall market turmoil or declining prices. Similarly, large deposits may adversely affect the Cash Reserve Fund's performance to the extent that the Cash Reserve Fund is delayed in investing new cash and is required to maintain a larger cash position than it ordinarily would.

Cybersecurity Risk. Use of technology to conduct business could subject the Fund and its third-party service providers (including the Administrators) to risks associated with cybersecurity. If a cybersecurity attack is successful, an unauthorized person could misappropriate assets or sensitive information, corrupt data, or cause operational disruption. The Administrators have developed technological safeguards and business continuity plans to prevent or reduce the impact of potential cybersecurity incidents. Despite these measures, a cybersecurity incident still has the potential to cause harm to the Fund and its Participants.

Administration of TEXSTAR

- **TEXSTAR Board.** By executing and submitting an application to open an account, a Participant designates the Board as its agent for investing deposited funds. The Board

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holds legal title to all money, investments, and assets and has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of TEXSTAR.

The business and affairs of TEXSTAR are managed by the Board in accordance with its bylaws (the "Bylaws"). The Bylaws set forth procedures governing the selection of, and action taken by, the Board. Board oversight of TEXSTAR is maintained through various reporting requirements.

The Bylaws provide for a five-member Board consisting of three representatives of Participants and one member employed by JPMIM or an affiliate and one member employed by HTS, HSAM or an affiliate. Board members serve for staggered three-year terms. Replacement Board members (other than the Administrator representatives) are appointed by the Board or may be elected by the Participants in accordance with the Bylaws. Board members serve without compensation but are entitled to reimbursement of reasonable out-of-pocket expenses incurred in the performance of Board duties. The names, terms, and affiliations of Board members are listed on the TEXSTAR website.

The Board consists of the following individuals:

<u>Name</u>	<u>Board Position and Term</u>	<u>Affiliation</u>
Monte Mercer	President April 2026	North Central Texas Council of Governments
David Pate	Vice President April 2027	Richardson Independent School District
David Medanich	Secretary April 2026	Hilltop Securities Inc. and Hilltop Asset Management, LLC
Andrew Linton	Director April 2026	J.P. Morgan Investment Management Inc.

Mr. Medanich is a director and officer of Hilltop Securities Inc. and Hilltop Securities Asset Management, LLC. Hilltop Securities Inc. has contracted with the Pool to serve as Administrator to provide distribution and marketing services. Hilltop Asset Management, LLC has contracted with the Pool to serve as Administrator to provide administrative and Participant services. He has no voting powers.

Mr. Linton is an executive director for J.P. Morgan Asset Management Inc. J.P. Morgan Investment Management Inc. has contracted with the Pool to serve as Administrator to provide services including investment management, transfer agency, fund accounting and custodial services. He has no voting powers.

Advisory Board. The Board appoints an Advisory Board consisting of individuals who are Participant employees, officers or elected officials and individuals who do not have a business relationship with the Pool and are qualified to advise it. The Board consists of the following individuals:

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<u>Name</u>	<u>Term</u>	<u>Affiliation</u>
Brett Starr	April 2026	City of Irving, TX
Sandy Newby	April 2026	Qualified Non-Participant
Ron Whitehead	April 2026	Qualified Non-Participant

- Investment Management.** TEXSTAR's Board has adopted (and will review and revise at least annually) a list of brokers that are authorized to engage in investment transactions with TEXSTAR.

A qualified representative of TexSTAR's investment manager must certify that the investment manager has received and reviewed the TexSTAR Investment Policy and the investment manager has implemented reasonable procedures and controls in an effort to preclude investment transactions that are not authorized by the TexSTAR Investment Policy, except to the extent that this authorization requires interpretation of subjective investment standards.

The investment manager may dispose of securities without regard to the time they have been held when such actions, for defensive or other fund management reasons, appear advisable. Investments may be sold by one fund to another fund at prevailing market prices.

Settlement of all transactions shall be conducted on a delivery versus payment (DVP) basis to the custodian bank for TexSTAR. All book entry securities, whether purchased outright or under repurchase agreements, shall be held in a custodial account at the Federal Reserve Bank. All securities not held in book entry form shall be held by the Custodian or its agent. Third party institutions must issue original safekeeping receipts to the Custodian. The Custodian shall keep accurate records reflecting TexSTAR's ownership of the securities. Money market fund accounts must be in the name of TexSTAR.

- Ratings.** In compliance with Section 2256.016(h) of the Public Funds Investment Act, TEXSTAR will operate to maintain a AAA, AAA-m or equivalent rating for the Fund from at least one nationally recognized rating agency. As of the date hereof, the Fund was rated AAAM by Standard and Poor's Rating Service. An explanation of the significance of such rating may be obtained from Standard & Poor's at 1221 Avenue of the Americas, New York, New York 10020. Promptly upon notice, TEXSTAR will post on its website any change to the Fund's rating.
- Determination of Net Income and Net Asset Values.** The net interest income of the Fund shall be determined each business day, and consists of (i) the sum of (a) interest accrued, (b) discount earned (including both original issue and market discount), and (c) realized capital gains (amortized over a period not to exceed 30 days) less (ii) the sum of (a) amortization of premium, (b) the estimated expenses of the Fund applicable to that distribution period, and (c) realized capital losses (amortized over a period not to exceed 30 days). All net income of the Fund so determined is declared as earnings

TexSTAR INFORMATION STATEMENT

to Participants each day. Earnings accrue throughout the month and are distributed as of the close of business on the last business day of the month. On the first business day of the following month, the earnings are reinvested as additional Units at the current Net Asset Value (expected to be \$1.00), unless the Participant has elected to have them paid out. If the entire balance in an account is withdrawn during the month, the accrued distributions will be paid on or before the first business day of the following month.

The Net Asset Value per Unit of the Fund is calculated each business day by adding the amortized book value of the Fund's securities and other assets, deducting accrued expenses and arrearages, and dividing by the number of Units outstanding. The result of this computation will be rounded to the nearest whole cent.

- **Valuation of TexSTAR Assets.** The objective of the TexSTAR Cash Reserve Fund is to maintain a stable value of \$1.00 per unit (rounded to the nearest whole cent). Although all securities in the Fund are marked to market daily using the fair value method, amortized cost, which generally approximates the market value of securities, is utilized. The Board, in its discretion, may elect to cease utilizing amortized accounting and to commence utilizing the fair value method at any time. To the extent that the Board elects to utilize a net asset value per share determined by using available market quotations in lieu of amortized accounting, the Fund will reflect market fluctuations and any unrealized gains and losses resulting from those fluctuations on a daily basis.

If, upon a daily calculation, the investment manager finds that the deviation between the amortized cost and market-determined values or the deviation between market-determined values and \$1.00 per unit of the Fund's assets exceeds \$0.0030, it shall promptly notify the Board. In the event that the deviation of market-determined values from amortized cost or \$1.00 per unit exceeds \$0.0040, the Board shall direct the investment manager to take such action, if any, as it determines is necessary to eliminate or reduce to the extent reasonably practicable any dilution or unfair result to existing Participants. Notwithstanding the foregoing, absent contrary instructions from the Board, the investment manager shall cause the subject investments to be sold promptly to attempt to bring the deviation back within the desired value band. However, the \$1.00 per unit value is not guaranteed or insured by TexSTAR or the Administrators. There can be no assurance that the Fund will maintain a stable net asset value of \$1.00.

- **Ethics and Conflicts of Interest.** Each Administrator is required to maintain a code of ethics which requires its employees working with TexSTAR to place the interests of TexSTAR before their personal interests and to avoid any actual or potential conflicts of interest. Each Administrator must promptly report any material non-compliance with such requirements to the Board.

JPMIM acts as a fiduciary when providing investment management services to TexSTAR. JPMIM may order the purchase of investments from either itself, HTS, or their affiliates only on terms and conditions approved by a majority of the Participant members of the Board.

JPMIM has provided the following disclosures concerning its practices:

TexSTAR INFORMATION STATEMENT

JPMIM and/or its affiliates (“JPMorgan Chase”) perform investment services, including rendering investment advice, to varied clients. JPMIM, JPMorgan Chase and its or their directors, officers, agents, and/or employees may render similar or differing investment advisory services to clients and may give advice or exercise investment responsibility and take such other action with respect to any of their other clients that differs from the advice given or the timing or nature of action taken with respect to another client or group of clients. It is JPMIM's policy, to the extent practicable, to allocate, within its reasonable discretion, investment opportunities among clients over a period of time on a fair and equitable basis. One or more of JPMIM's other client accounts may at any time hold, acquire, increase, decrease, dispose, or otherwise deal with positions in investments in which another client account may have an interest from time-to-time.

JPMIM, JPMorgan Chase, and any of its or their directors, partners, officers, agents or employees, may also buy, sell, or trade securities for their own accounts or the proprietary accounts of JPMIM and/or JPMorgan Chase. JPMIM and/or JPMorgan Chase, within their discretion, may make different investment decisions and other actions with respect to their own proprietary accounts than those made for client accounts, including the timing or nature of such investment decisions or actions. Further, JPMIM is not required to purchase or sell for any client account securities that it, JPMorgan Chase, and any of its or their employees, principals, or agents may purchase or sell for their own accounts or the proprietary accounts of JPMIM, or JPMorgan Chase or its clients.

JPMIM and its related persons may recommend securities to clients that JPMIM and its related persons may also purchase or sell. As a result, positions taken by JPMIM and its related persons may be the same as or different from, or made contemporaneously or at different times than, positions taken for clients of JPMIM. As these situations may involve potential conflicts of interest, JPMIM has adopted policies and procedures relating to personal securities transactions, insider trading and other ethical considerations. These policies and procedures are intended to identify and mitigate actual and perceived conflicts of interest with clients and to resolve such conflicts appropriately if they do occur. The policies and procedures contain provisions regarding preclearance of employee trading, reporting requirements and supervisory procedures that are designed to address potential conflicts of interest with respect to the activities and relationships of related persons that might interfere or appear to interfere with making decisions in the best interest of clients, including the prevention of front-running. In addition, JPMIM has implemented monitoring systems designed to ensure compliance with these policies and procedures.

HTS and HSAM have provided the following disclosures concerning their practices:

Certain employees of HTS and HSAM may also serve as officials of TexSTAR. Employees of HTS and HSAM who are also officials of TexSTAR must still abide by the code of ethics required of each Administrator.

- **Fees and Expenses.** In return for contracted service, TEXSTAR has agreed to pay service fees to the Administrators and custodian totaling twelve (12) basis points per year, calculated daily on the total fund balances. The Administrators may (but are not obligated to) waive all or a portion of their fees from time to time. The service fees cover all normal services provided to the Board by the Administrators, the custodian

TexSTAR INFORMATION STATEMENT

and the transfer agent. Additional expenses required to attain TEXSTAR objectives and conduct on-going operations will be incurred by TEXSTAR. These include expenses for independent auditors, legal representation, liability insurance, board meeting attendance, and ratings.

The TEXSTAR service fee and other expenses are deducted from the gross interest earnings daily and charged monthly. There is no direct reduction to the Participant's principal account related to the payment of fees and expenses, but only the remaining net income after deduction of the applicable fees and expenses is credited to the Participant's account. All TEXSTAR rates are quoted net of fees and expenses. There are no hidden costs or additional reductions to Participants' accounts. In the event a Fund does not earn adequate interest income and profits to cover allocable expenses and fees for a given month or period, the deficit will be carried over to future months or periods when adequate income and profits have been received.

- **Liability.** TEXSTAR directors and officers will not be liable for (and TEXSTAR earnings may be applied to indemnify them against) loss and liability that may arise from or in connection with any of their acts or omissions, including acts and omissions caused by their negligence, to the extent permitted by law.

Participation in TEXSTAR

Participation in TEXSTAR is limited to eligible governmental entities that have authorized, executed, and submitted an application to participate in TEXSTAR.

- **Eligibility to Invest.** Only eligible local governments and agencies of the State of Texas may become Participants. Eligible local governments include any municipality, school district, county, special district, junior college district, or other legally constituted political subdivision of the State or a combination of political subdivisions (e.g., a combination by means of an interlocal agreement). Eligible state agencies generally include any office, department, commission, board or other agency that is part of any branch of state government, an institution of higher education, and any nonprofit corporation acting on behalf of any of those entities.
- **Establishment of Accounts.** To participate in TEXSTAR, an eligible local government or state agency must duly authorize, complete, execute, and submit an application for participation. By executing and submitting an application, a Participant agrees to the terms and conditions governing TEXSTAR as well as its Bylaws, Investment Policy, and Operating Procedures. Application forms (including forms of authorizing resolutions) may be obtained from TEXSTAR Participant Services. In their applications, Participants must designate authorized representatives who have authority to transfer funds for investment, to withdraw funds, to issue letters of instructions, and to take all other actions necessary or appropriate for the investment of funds in TEXSTAR. A Participant must also provide a separate bank information sheet for each account and sub-account, signed by two authorized Participant representatives unless otherwise permitted by the Operating Procedures. The Operating Procedures describe in detail the procedures required for the establishment of account(s), deposits to and withdrawals from TEXSTAR, and related information. A copy of the Operating Procedures may be obtained from TEXSTAR Participant Services.

TexSTAR INFORMATION STATEMENT

- **Amendments.** The Board may amend the TEXSTAR terms and conditions, Bylaws, Investment Policy, and Operating Procedures. It must give Participants at least 30 days advance notice of each amendment. Participants are deemed to have accepted the amendments unless they withdraw from TEXSTAR before the amendments are effective.

Summary of Operating Procedures

Deposits to and withdrawals from TEXSTAR may be made by wire transfer or automated clearinghouse (ACH) transfer according to established operating procedures. Excerpts from the current Operating Procedures are provided below.

- **Wire Transfers.** Wire transfer requests will be executed on the same day as initiated if requested in accordance with the daily transaction deadlines for the pool. TEXSTAR must be notified of any wire transaction requests by **4:00 p.m. CST** if using the pool's internet transaction system or by **3:30 p.m. CST** when contacting a Participant Services Representative. All incoming wire deposits must be received by **4:00 p.m. CST**, to earn interest for that day. In addition, any wire deposits received after **4:00 p.m. CST** will not be invested until the following business day. Outgoing wire transfers from TEXSTAR received by the transfer agent by 10:30 a.m. are typically sent for processing between 12:00 noon and 12:30 p.m. central time. Some delay may occur, depending on unforeseen circumstances, including, but not limited to, delays or failures unrelated to TEXSTAR.

TEXSTAR reserves the right to suspend the right of withdrawal or to postpone the date of payment in the event that the Federal Reserve is closed other than for customary weekend and holiday closings, in the event of a general suspension of trading in any securities market which affects TEXSTAR operations, or if, in the opinion of the Board, an emergency exists so that the disposal of TEXSTAR's securities or determination of its net asset value is not reasonably practical.

TEXSTAR will process deposits and withdrawal requests only on the days the Federal Reserve is open for business. TEXSTAR may also be closed or have limited trading hours on any Friday preceding or Monday following a weekend, which includes a national holiday provided that notice has been given to Participants at least 30 days prior to such a day, or whenever The Bond Market Association recommends that markets for fixed income securities close.

- **Automated Clearing House ("ACH") Transfers.** ACH transaction requests will be executed on the business day following the date the transaction was initiated if requested in accordance with the daily transaction deadlines for the pool. TEXSTAR must be notified of any next day ACH transaction requests by **4:00 p.m. CST** if using the pool's internet transaction system or by **3:30 p.m. CST** when contacting a Participant Services Representative for all ACH transfer activity, one day prior to the actual settlement of the funds. ACH transfer withdrawals are sent in accordance with the prearranged Participant information as provided on the bank information sheet corresponding to that specific TEXSTAR account or subaccount. In the event of an ACH rejection, TEXSTAR will contact the Participant to confirm the rejection. TEXSTAR will credit/debit the Participant's account accordingly.

TexSTAR INFORMATION STATEMENT

- **Account to Account Transfers.** Funds may be transferred between TexSTAR accounts in the same Fund without transferring the money to the Participant's local bank. Transactions transferring funds between accounts will be executed as of the close of business on the same day as initiated, if received by the deadline. TexSTAR must be notified of any same day interaccount transaction activity by **4:00 p.m. CST** if using the pool's internet transaction system or by **3:30 p.m. CST** when contacting a Participant Services Representative.
- **Methods of Notification.** Participants may notify TEXSTAR of wire transfer or ACH activity by:
 - a. Internet access system; or
 - b. Verbal notification to a TEXSTAR Participant Services representative followed by a fax confirmation.
- **Reports.** A Participant's monthly statement will be mailed within the first five (5) business days of the respective succeeding month. The monthly statement will include a detailed listing of the balance in the Participant's accounts as of the date of the statement; all account activity for the previous month, including deposits and withdrawals; daily and monthly yield information; and any special fees and expenses charged to the Participant. Additionally, copies of the Participant's reports will be maintained and made available for a minimum of three prior TEXSTAR fiscal years in either physical or electronic form.

A complete copy of the TEXSTAR Operating Procedures may be obtained by contacting TEXSTAR Participant Services.



J.P.Morgan
Asset Management

717 N. HARWOOD STREET, SUITE 3400

DALLAS, TX 75201

800.839.7827

TEXSTAR.ORG

TEXSTAR@HILLTOPSECURITIES.COM



TexSTAR ENROLLMENT STEPS

In order for a governmental entity to enroll in TEXSTAR, the following procedures should be performed.

1. Submit the *Resolution* in the form entitled ***Application for Participation in TexSTAR*** to the entity's governing body for approval.
2. Complete and sign the ***Application for Participation in TexSTAR***. The Resolution in the form of the application should be signed by Board President, County Judge, or City Mayor and attested by Board Secretary, County Clerk, or City Secretary. The entity seal should be included in the space provided. A notary seal is unacceptable.
3. Complete a ***Bank Instruction Form*** for each account to be opened.
4. Send all completed documentation with original signatures and ***an approved investment policy of the enrolling entity*** to our email or fax number below:

Email: texstar@hilltopsecurities.com

Fax: 214.953.8878

5. Enrollment documentation will ordinarily be processed within five (5) business days of receipt.

SAMPLE AGENDA LANGUAGE

Short versions:

(1) Approval of TexSTAR Investment Pool as an Authorized Investment

(2) Approval of Application for Participation in the Texas Short Term Asset Reserve Program (TexSTAR)

Or

Longer versions:

(1) Recommendation to Approve an Application for Participation in the Texas Short Term Asset Reserve Program (TexSTAR).

Included in the agenda exhibit is information pertaining to the application. It is recommended that the Board approve the application as submitted.

(2) Recommendation to Approve an Application for Participation in the Texas Short Term Asset Reserve Program (TexSTAR).

Included in the agenda exhibit is information pertaining to the application. It is recommended that the Board approve the application as submitted to provide the district with an additional investment option emphasizing safety and liquidity.



APPLICATION FOR PARTICIPATION IN TEXSTAR

The undersigned local government (Applicant) applies and agrees to become a Participant in the Texas Short Term Asset Reserve Program (TEXSTAR).

1. **Authorization.** The governing body of Applicant has duly authorized this application by adopting the following resolution at a meeting of such governing body duly called, noticed, and held in accordance with the Texas Open Meeting Law, chapter 551, Texas Government Code, on _____, 20__:

WHEREAS, it is in the best interests of this governmental unit ("*Applicant*") to invest its funds jointly with other Texas local governments in the Texas Short Term Asset Reserve Program (TEXSTAR) in order better to preserve and safeguard the principal and liquidity of such funds and to earn an acceptable yield; and

WHEREAS, Applicant is authorized to invest its public funds and funds under its control in TEXSTAR and to enter into the participation agreement authorized herein;

NOW, THEREFORE, BE IT RESOLVED THAT:

SECTION 1. The form of application for participation in TEXSTAR attached to this resolution is approved. The officers of Applicant specified in the application are authorized to execute and submit the application, to open accounts, to deposit and withdraw funds, to agree to the terms for use of the website for online transactions, to designate other authorized representatives, and to take all other action required or permitted by Applicant under the Agreement created by the application, all in the name and on behalf of Applicant.

SECTION 2. This resolution will continue in full force and effect until amended or revoked by Applicant and written notice of the amendment or revocation is delivered to the TEXSTAR Board.

SECTION 3. Terms used in this resolution have the meanings given to them by the application."

2. **Agreement.** Applicant agrees with other TEXSTAR Participants and the TEXSTAR Board to the Terms and Conditions of Participation in TEXSTAR, effective on this date, which are incorporated herein by reference. Applicant makes the representations, designations, delegations, and representations described in the Terms and Conditions of Participation.

3. **Taxpayer Identification Number.** Applicant's taxpayer identification number is _____

4. **Contact Information.**

Applicant primary mailing address: _____

Applicant physical address (if different): _____

Applicant main phone number: _____

Applicants main fax number: _____

5. **Authorized Representatives.** Each of the following Participant officials is designated as Participant's Authorized Representative authorized to give notices and instructions to the Board in accordance with the Agreement, the Bylaws, the Investment Policy, and the Operating Procedures:

1. Name: _____ Title: _____

Signature: _____ Phone: _____

Email: _____

2. Name: _____ Title: _____

Signature: _____ Phone: _____

Email: _____

3. Name: _____ Title: _____

Signature: _____ Phone: _____

Email: _____

4. Name: _____ Title: _____

Signature: _____ Phone: _____

Email: _____

{REQUIRED} PRIMARY CONTACT: List the name of the Authorized Representative **listed above** that will be designated as the Primary Contact and will receive all TexSTAR correspondence including transaction confirmations and monthly statements.

Name: _____

{OPTIONAL} INQUIRY ONLY CONTACT: In addition, the following additional Participant representative (**not listed above**) is designated as an **Inquiry Only** Representative authorized to obtain account information:

Name: _____ Title: _____

Signature: _____ Phone: _____

Email: _____

In Process

Applicant may designate other authorized representatives by written instrument signed by an existing Applicant Authorized Representative or Applicant's chief executive officer.

**REQUIRED
PLACE OFFICIAL SEAL OF ENTITY HERE**

DATED _____

(NAME OF ENTITY/APPLICANT)

SIGNED BY:

(Signature of official)

(Printed name and title)

ATTESTED BY:

(Signature of official)

(Printed name and title)

FOR INTERNAL USE ONLY HTSTSIP080720250848
APPROVED AND ACCEPTED: TEXAS SHORT TERM ASSET RESERVE FUND (TexSTAR)

.....
AUTHORIZED SIGNER

DATE

V082023

BANK INSTRUCTION FORM



PLEASE NOTE THAT A TEXSTAR REPRESENTATIVE WILL CALL TO VERIFY INSTRUCTIONS AND USER ID WITH BOTH AUTHORIZED REPRESENTATIVES WHO SIGNED THIS FORM.

PLEASE SELECT ONE OF THE FOLLOWING:

NEW ACCOUNT: NAME _____

CHANGE EXISTING ACCT: _____

APPLY CHANGE TO ALL ACCOUNTS

EFFECTIVE DATE: _____

PARTICIPANT NAME: _____

ACCOUNT NUMBER: _____

Add Bank Instruction:

PLEASE INDICATE IF THIS WILL BE THE PRIMARY BANK INSTRUCTION OR ADDITIONAL BANK INSTRUCTION

SELECT ONE OF THE FOLLOWING WIRE AND ACH WIRE ONLY ACH ONLY

Bank Name: _____ City: _____

Bank ABA Number (9 digits): _____ Bank ABA for ACH (if different) (9 digits): _____

Bank Account Number: _____ Bank Account Name: _____

Correspondent Bank Name (if any): _____

Correspondent Bank ABA Number: _____ Account Number: _____

Delete Bank Instruction:

PLEASE INDICATE IF THIS WILL BE THE PRIMARY BANK INSTRUCTION OR ADDITIONAL BANK INSTRUCTION

SELECT ONE OF THE FOLLOWING WIRE AND ACH WIRE ONLY ACH ONLY

Bank Name: _____ City: _____

Bank ABA Number (9 digits): _____ Bank ABA for ACH (if different) (9 digits): _____

Bank Account Number: _____ Bank Account Name: _____

Correspondent Bank Name (if any): _____

Correspondent Bank ABA Number: _____ Account Number: _____

** If ACH availability is selected, I hereby authorize JPMorgan Chase Bank, N.A. to directly deposit and withdraw funds by means of ACH electronic transfer to and from the financial institution and the account designated above ("Designated Account"). I agree that this authorization may be withdrawn with at least 45-days advance written notice to TexSTAR Participant Services. I understand that TexSTAR reserves the right to discontinue ACH electronic transfer without advance notice. I also authorize JPMorgan Chase Bank, N.A. to deduct from the Designated Account or from subsequent deposits made to the Designated Account all amounts deposited in error. I authorize JPMorgan Chase Bank, N.A. to credit all amounts withdrawn in error to Designated Account.*

NOTE: This authorization must be executed by two current Authorized Representatives of the Participant on file with TexSTAR. As a current Authorized Representative, I certify that the above information is both true and correct.

_____	_____	_____	_____
Authorized Representative Signature	Printed Name	Title	Date
_____	_____	_____	_____
Authorized Representative Signature	Printed Name	Title	Date

Please complete this form either all typed or all handwritten. Forms with alterations (i.e. white out, mark out, etc.) will **NOT** be accepted.

TexSTAR Participant Services
 Email forms to: texstar@hilltopsecurities.com
 Phone: 800.839.7827 * Fax: 214.953.8878

S T A R B A S E

X

CITY COMMISSION AGENDA MEMO

TO: Mayor and City Commission

FROM: City Administrator

MEETING DATE: May 28, 2026

ITEM: I.8

SUMMARY The City Commission is requested to consider a petition from SpaceX to abandon and vacate certain portions of public streets and to approve the attached ordinance.

BACKGROUND On May 13, 2026, SpaceX (as owner or authorized representative of all owners of abutting real property) submitted a Petition for Abandonment and Vacation of Portions of Public Streets requesting the City to vacate specific portions of Saint Jude Street, Ohio Avenue, Memes Street, and Esperson Street (as shown on Exhibit A to the petition).

The petition states these portions are no longer necessary for public use, have limited or no current public traffic, and that abandonment will serve the best interests of the City by allowing enhanced security measures and improved property utilization.

An ordinance has been prepared to formally abandon and vacate these rights-of-way and authorize conveyance to the abutting property owners.

STAFF RECOMMENDATIONS It is recommended that the ordinance be approved as presented.

MOTION: "I move to approve the ordinance abandoning and vacating certain portions of Saint Jude Street, Ohio Avenue, Memes Street, and Esperson Street and authorize the Mayor to execute a deed or other documents conveying the rights-of-way to the abutting property owners."

ATTACHMENTS

- Ordinance for Road Abandonment
- Petition for Abandonment and Vacation of Portions of Public Streets, including Exhibit A

In Process

**CITY OF STARBASE, TEXAS
ORDINANCE NO. 2026-13**

AN ORDINANCE OF THE CITY OF STARBASE, TEXAS, ABANDONING AND VACATING CERTAIN PORTIONS OF SAINT JUDE STREET, OHIO AVENUE, MEMES STREET, AND ESPERSON STREET IN THE CITY OF STARBASE, CAMERON COUNTY, TEXAS; AUTHORIZING THE MAYOR TO EXECUTE A DEED OR OTHER DOCUMENTS CONVEYING SAID RIGHTS-OF-WAY TO THE ABUTTING PROPERTY OWNERS; PROVIDING SAVINGS AND SEVERABILITY CLAUSES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Starbase, Texas (the “City”), is a Type C general-law municipality, incorporated pursuant to Chapter 8 of the Texas Local Government Code; and

WHEREAS, Section 311.002 of the Texas Transportation Code provides that a general-law municipality has exclusive control over highways, streets, and alleys of the municipality; and

WHEREAS, Section 311.008 of the Texas Transportation Code provides that a general-law municipality, such as the City of Starbase (“City”), has the authority to vacate, abandon, or close a street or alley within the City; and

WHEREAS, Section 272.001 of the Texas Local Government Code authorizes the City to convey property interests to abutting property owners who own the underlying fee simple without appraisal; and

WHEREAS, a Petition for Abandonment and Vacation of a Portion of Public Streets (attached hereto as Attachment 2) was submitted on May 13, 2026 seeking to vacate, abandon, and close certain portions of Saint Jude Street, Ohio Avenue, Memes Street (formerly Weems), and Esperson Street, as more particularly described in Attachment 1 attached hereto (the “Portions”), and such Petition was filed by all owners (or authorized representatives of all owners) of real property abutting said Portions; and

WHEREAS, the City Commission considered the Petition at a duly posted public meeting held on the 28th day of May, 2026, in accordance with the Texas Open Meetings Act; and

WHEREAS, the City finds that the Portions, which are located within the corporate limits of Starbase, are no longer necessary for public use, have limited or no current public traffic, and whose continued maintenance as public rights-of-way is not required for the public health, safety, or welfare, all as set forth in the Petition for Abandonment and Vacation of Portions of Public Streets dated May 13, 2026, filed by all owners (or authorized representatives of all owners) of real property abutting said portions; and

WHEREAS, the abandonment and vacation of the Property will serve a public purpose, and will not interfere with ongoing obligations under the City's subdivision regulations and other applicable codes; and

WHEREAS, to the extent any portion of the Property is, following abandonment, retained, used, or maintained as a private street or roadway, such portion shall be constructed and maintained to the same standards and specifications that apply to public rights-of-way of the City; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS THAT:

SECTION 1. Incorporation of Premises. The above and foregoing premises are true and correct and are incorporated into the body of this Ordinance as if fully set forth herein.

SECTION 2. Findings. After due deliberations the City Commission has concluded that the adoption of this Ordinance is in the best interest of the City of Starbase, Texas, and of the public health, safety and welfare.

SECTION 3. Abandonment. The City Commission hereby approves the abandonment, vacation, and closing of the Portions described as certain portions of Saint Jude Street, Ohio Avenue, Memes Street, and Esperson Street as more particularly set forth on Attachment 1 attached hereto.

SECTION 4. Authorization. The City Administrator is hereby authorized to enter into any agreement, document, quitclaim deed, or other instrument necessary to effectuate the abandonment, vacation, and closing of the Portions and conveyance to the abutting property owners without monetary compensation or for a reasonable compensation in the amount determined by the City Administrator. A formal boundary survey of the Property describing each of the Portions by metes and bounds, shall be attached to and incorporated into the instrument of conveyance.

SECTION 5. Savings/Repealing Clause. All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict; but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

SECTION 6. Severability. It is hereby declared to be the intention of the City Commission that the phrases, clauses, and sentences of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction,

such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would have been enacted by the City Commission without the incorporation of this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

SECTION 7. Engrossment/Enrollment. The City Clerk is hereby directed to enroll and engross this Ordinance by copying the exact Caption and Effective Date clause in the minutes of the City Commission and by filing this Ordinance in the Ordinance Records of the City.

SECTION 8. Effective Date. This Ordinance shall become effective from and after its date of passage in accordance with law.

DULY PASSED AND APPROVED by the City Commissioners of the City of Starbase, Texas on the 28th day of May, 2026.

CITY OF STARBASE

Bobby Peden, Mayor

ATTEST:

Gretchen Norton, City Clerk

APPROVED AS TO FORM:

_____, **City Attorney**



PETITION FOR ABANDONMENT AND VACATION OF PORTIONS OF PUBLIC STREETS CITY OF STARBASE, TEXAS

STATE OF TEXAS COUNTY OF CAMERON

TO THE HONORABLE MAYOR AND CITY COMMISSION OF THE CITY OF STARBASE, TEXAS:

Being the owners (or authorized representatives of all owners) of real property abutting the portions of the public streets described below, hereby respectfully petition the City Commission of the City of Starbase, Texas (the "City"), pursuant to the authority granted by Section 311.008 of the Texas Transportation Code and any applicable City ordinances, including but not limited to the procedures for vacating, abandoning, or closing streets or alleys, to adopt an ordinance vacating, abandoning, and closing the following portions of public rights-of-way within the corporate limits of the City of Starbase, Cameron County, Texas:

- Certain portions of **Saint Jude Street**;
- Certain portions of **Ohio Avenue**;
- Certain portions of **Memes Street**; and
- Certain portions of **Esperson Street**.

A more particular description of the portions of the streets proposed for abandonment is attached hereto as **Exhibit A**.

Petitioners state the following in support of this request:

1. The petitioners constitute all of the owners of real property abutting the portions of the streets described above.
2. The subject portions of the streets are no longer necessary for public use, have limited or no current public traffic, and their continued maintenance as public rights-of-way is not required for the public health, safety, or welfare.
3. Abandonment and vacation of these portions will serve the best interests of the City and the public by allowing for enhanced security measures and improved property utilization.
4. No public utilities or services will be adversely affected by the proposed abandonment.

WHEREFORE, the Petitioner respectfully prays that the City Commission set this matter for public hearing with proper notice, consider and approve this petition, and enact an ordinance abandoning and vacating the described portions of the public streets as requested.

Respectfully submitted,

May 13, 2026

Exhibit A



S T A R B A S E

X

City Administrator's Report Financial Statement Report

April 2026

The General Fund financial statements for the seven months ended April 30, 2026 reflect a **very strong financial position**.

Key Highlights

- Cash and cash equivalents: **\$5.17 million**
- Total fund balance: **\$4.99 million**
- Year-to-date revenues: **\$4.42 million** (primarily from property taxes)
- Year-to-date expenditures: **\$1.11 million** - significantly under budget

Notable Item – Upcoming Debt Service The City has two major note repayments scheduled this fiscal year:

- One note (≈ \$1.53 million) due **June 2026**
- One note (≈ \$1.02 million) due **September 2026**

These repayments total approximately **\$2.55 million** and are fully budgeted.

Overall, the General Fund remains in excellent shape with strong reserves heading into the final months of the fiscal year.

Attachments

- General Fund Financial Statements – April 30, 2026
- Accounts Payable Aging Summary – April 30, 2026



City of Starbase

Financial Statements

April 30, 2026



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In Process

City of Starbase, Texas
Balance Sheet – General Fund

April 30, 2026

Assets	
Cash and cash equivalents	\$ 5,172,931
Accounts receivable	2,890
Taxes receivable	5,123
Prepaid items	11,973
Total assets	\$ 5,192,917
Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities	
Accounts payable	\$ 199,480
Other liabilities	725
Total liabilities	200,205
Deferred inflows of resources	
Unavailable revenue - property taxes	5,123
Total deferred inflows of resources	5,123
Fund balances	
Nonspendable	
Prepaid items	11,973
Committed	50,000
Unassigned	4,925,616
Total fund balances	4,987,589
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,192,917

In Process

No assurance is provided on these financial statements and required supplementary information. Substantially all disclosures, Management's Discussion and Analysis, the Statement of Net Position and Statement of Activities required by generally accepted accounting principles are omitted.

City of Starbase, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund

For the seven months ended April 30, 2026

Revenues

Property taxes	\$ 4,275,252
Permits and Fees	91,825
Interest income	55,472
Miscellaneous revenue	587

Total revenues	4,423,136
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Expenditures

Current	
General government	900,560
Public safety	129,766
Culture and recreation	80,000

Total expenditures	1,110,326
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Excess (deficiency) of revenues over (under) expenditures	3,312,810
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Net change in fund balances	3,312,810
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Fund balances, beginning of year	1,674,779
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Fund balances, end of year	\$ 4,987,589
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REQUIRED SUPPLEMENTARY INFORMATION

In Process

City of Starbase, Texas
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund

<i>For the seven months ended April 30, 2026</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 4,279,661	\$ 4,279,661	\$ 4,275,252	\$ (4,409)
Permits and fees	158,000	158,000	91,825	(66,175)
Interest income	12,000	12,000	55,472	43,472
Miscellaneous revenue	15,000	15,000	587	(14,413)
Total revenues	4,464,661	4,464,661	4,423,136	(41,525)
Expenditures				
Current				
General government	1,433,446	1,433,446	900,560	532,886
Public safety	1,415,506	1,255,506	129,766	1,125,740
Culture and recreation	-	160,000	80,000	80,000
Debt service				
Principal	2,548,000	2,548,000	-	2,548,000
Total expenditures	5,396,952	5,396,952	1,110,326	4,286,626
Excess of revenues over expenditures	(932,291)	(932,291)	3,312,810	4,245,101
Other Financing Sources				
Proceeds from issuance of debt	1,000,000	1,000,000	-	1,000,000
Net change in fund balance	67,709	67,709	3,312,810	5,245,101
Fund balance, beginning of the year	-	-	1,674,779	(1,674,779)
Fund balance, end of year	\$ 67,709	\$ 67,709	\$ 4,987,589	\$ 3,570,322

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City of Starbase, Texas
General Fund Budget and Actual - Detailed
For the Month Ended April 30, 2026

<i>For the seven months ended April 30, 2026</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 4,279,661	\$ 4,279,661	\$ 4,275,191	\$ (4,470)
Penalties and Interest	-	-	61	61
Permits and fees				
New home permits	40,000	40,000	16,955	(23,045)
Commercial/Multifamily	100,000	100,000	44,388	(55,612)
Other - subdivision/plats/re-plats	10,000	10,000	30,482	20,482
Remodel/addition permits	4,000	4,000	-	(4,000)
Other permits	4,000	4,000	-	(4,000)
Interest income	12,000	12,000	55,472	43,472
Miscellaneous revenue				
Other revenue	10,000	10,000	587	(9,413)
Municipal court revenue	5,000	5,000	-	(5,000)
Total revenues	4,464,661	4,464,661	4,423,136	(41,525)
Expenditures				
General government				
Bank fees and charges	5,000	5,000	10	4,990
Office supplies	5,000	5,000	2,794	2,206
Office equipment	2,000	2,000	3,298	(1,298)
City meeting place and office lease	1,200	1,200	-	1,200
Postage and shipping	2,500	2,500	993	1,507
Printing and reproduction	5,000	5,000	-	5,000
City administration software	20,533	20,533	2,395	18,138
Branding and ad budget	24,000	24,000	11,250	12,750
Tec-refresh	177,000	177,000	80,119	96,881
Audit expense	60,000	60,000	65,510	(5,510)
Codification	10,000	10,000	-	10,000
Code administrator	5,000	5,000	-	5,000
Mapping	2,000	2,000	-	2,000
Building permit review and inspections	120,000	120,000	55,415	64,585
Code compliance	4,000	4,000	-	4,000
Contract services engineering	200,000	200,000	124,800	75,200
Contract services city clerk	175,500	175,500	149,201	26,299
Contract services city administrator	195,000	195,000	76,425	118,575
Contract services city attorney	276,000	276,000	199,763	76,237
Salaries and wages	-	-	1,192	(1,192)
Payroll tax expense	-	-	131	(131)
Dues and memberships	4,000	4,000	1,871	2,129

In Process

City of Starbase, Texas
General Fund Budget and Actual - Detailed
For the Month Ended April 30, 2026
(continued)

<i>For the seven months ended April 30, 2026</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Election expenses	15,000	15,000	-	15,000
Meeting expenses	1,000	1,000	193	807
Public notices	10,000	10,000	3,827	6,173
Elected official travel	5,000	5,000	-	5,000
Training and prof develop elected body	2,000	2,000	-	2,000
Training and prof develop staff	14,000	14,000	16,686	(2,686)
Community relations	2,000	2,000	-	2,000
Other operating expenses	25,000	25,000	47,976	(22,976)
Mosquito testing services	20,000	20,000	-	20,000
Tax appraisal services	22,713	22,713	33,337	(10,624)
Liability insurance	20,000	20,000	19,600	400
Telephone and internet	3,000	3,000	3,774	(774)
Public safety				
Municipal court costs	12,000	12,000	-	12,000
Municipal court judge	12,000	12,000	-	12,000
Prosecutor	12,000	12,000	-	12,000
Court Bailiff	12,000	12,000	-	12,000
Law enforcement ILA contract	1,300,000	1,140,000	69,766	1,070,234
Jail costs	7,506	7,506	-	7,506
Volunteer fire department expenses	60,000	60,000	60,000	-
Culture and recreation				
Contractual service (library services)	-	160,000	80,000	80,000
Debt service				
Principal	2,548,000	2,548,000	-	2,548,000
Total expenditures	5,396,952	5,396,952	1,110,326	4,286,626
Excess of revenues over expenditures	(932,291)	(932,291)	3,312,810	4,245,101
Other Financing Sources				
Proceeds from issuance of debt	1,000,000	1,000,000	-	1,000,000
Total other financing sources	1,000,000	1,000,000	-	1,000,000
Net change in fund balance	67,709	67,709	3,312,810	5,245,101
Fund balance, beginning of the year	-	-	1,674,779	(1,674,779)
Fund balance, end of year	\$ 67,709	\$ 67,709	\$ 4,987,589	\$ 3,570,322

City Administrator's Report Building Permit Activity Report –

April 2026

Building permit and inspection activity remained strong in April 2026, continuing the positive momentum from recent months.

Key Highlights – April 2026

Residential

- Permits issued: **4**
- Inspections completed: **318**
- Inspections passed: **284 | 34 did not pass**

Commercial

- Permits issued: **0**
- Inspections completed: **42**
- Inspections passed: **25 | 17 did not pass**
 - **70% pass rate, lower than previous months.**

Total April Activity

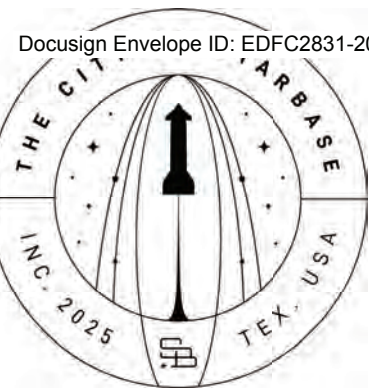
- Combined inspections completed: **360 avg 18 / work day**

Observations & Trends

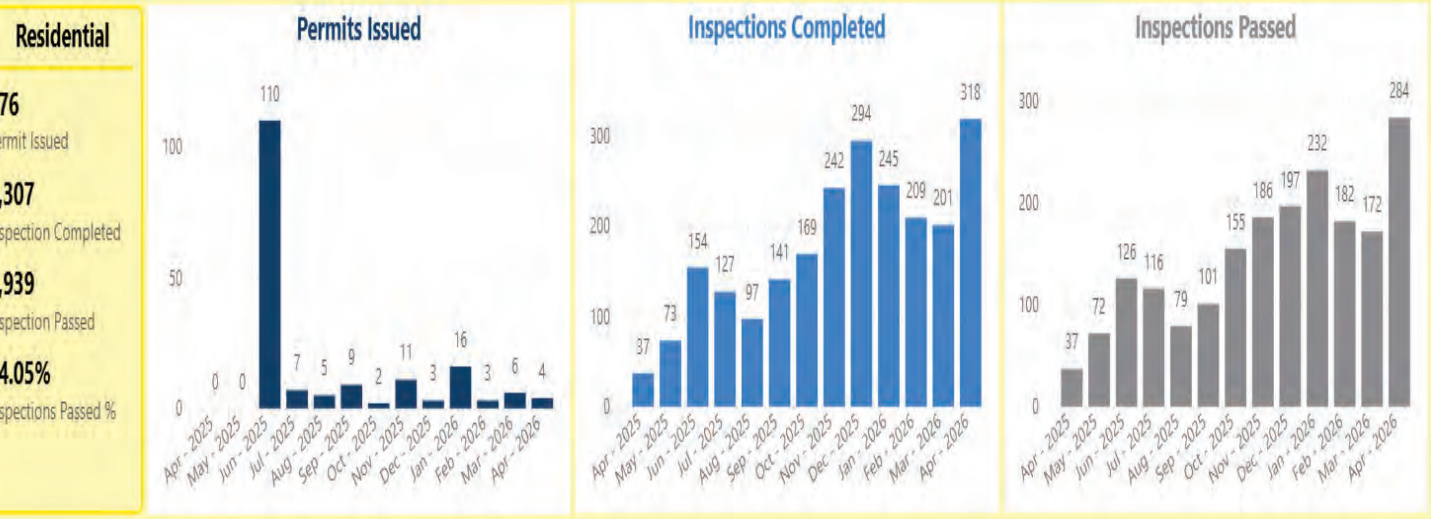
- Residential permitting continues to dominate activity.
- Inspection volume remains very high, reflecting a large number of active construction projects.
- Pass rates are stable and strong in both sectors.

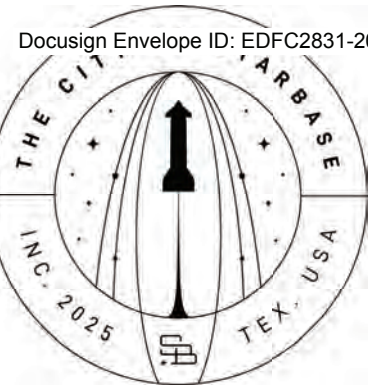
Attachment

- City of Starbase Activity Report – April 2026

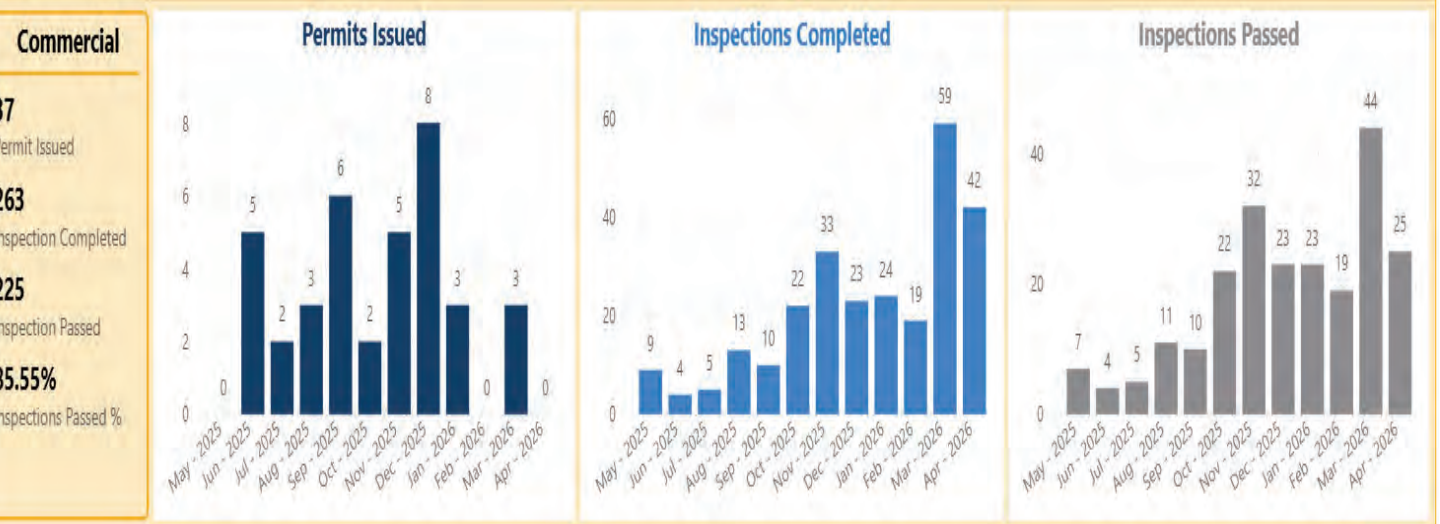


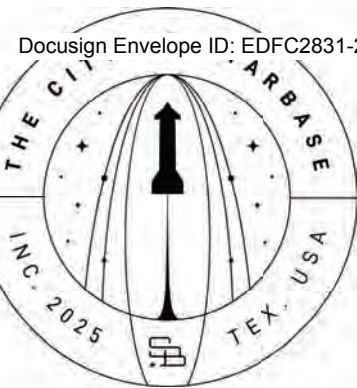
The City of Starbase Activity Report Residential April 2026



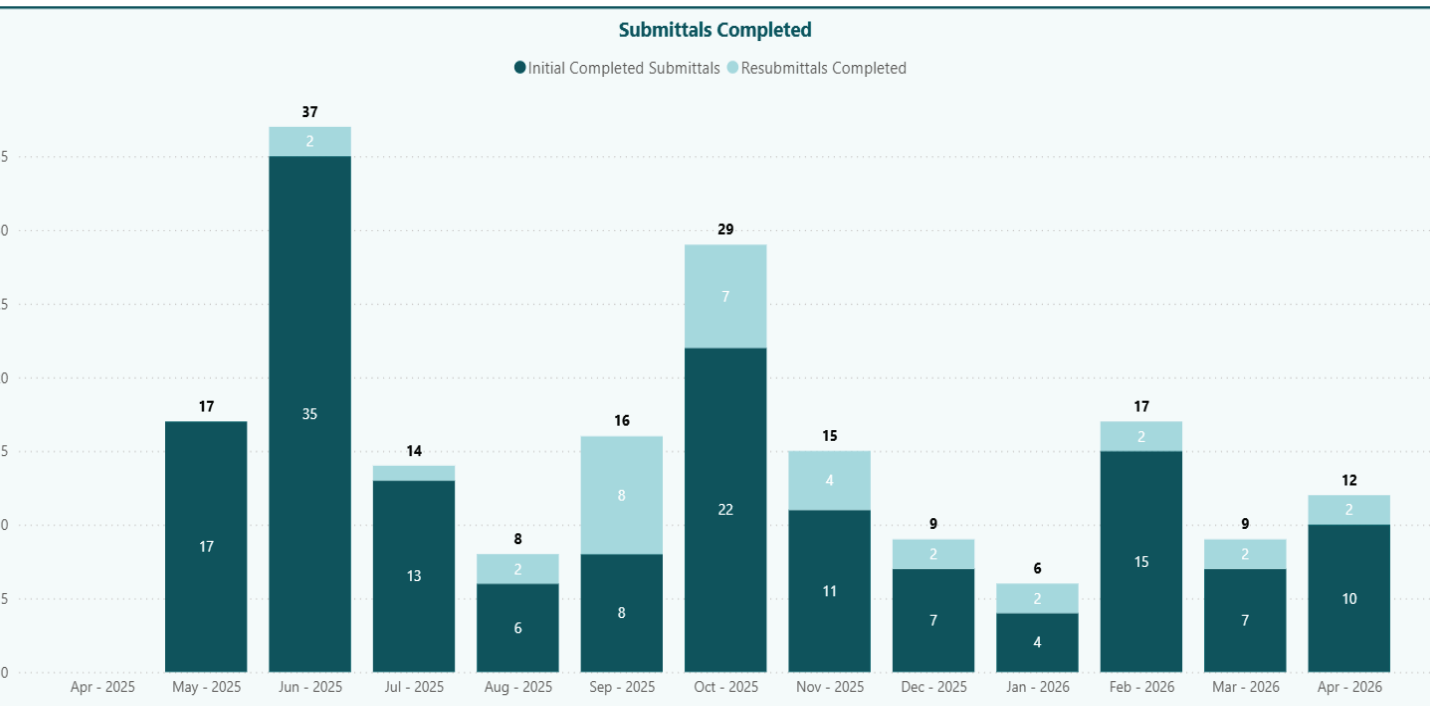


The City of Starbase Activity Report Commercial April 2026 In Process





The City of Starbase Submittals Completed April 2026



City Administrator's Report Police Department Update –

May 2026

The Police Department continues to make steady progress toward full operational readiness.

Key Updates

- **Active Recruiting** A new job description was published and recruiting restarted from scratch. The Department received a strong wave of candidates and is currently conducting Stage 1 and Stage 2 interviews.
- **TCOLE Application / Business Plan** TCOLE recently updated its application process for new agencies. The Department is finalizing the new submittal documents and business model plan. TCOLE staff have been very supportive, and we remain optimistic that once the updated package is submitted the approval process will accelerate.
- **Communications, Radios & Records Management System (RMS)** Radio procurement is underway. Implementation of the RMS has begun, with Keila from the City team leading this effort.
- **Physical Setup of the Police Department** Work is progressing to finish setting up the PD facility so it can properly house all required equipment and operations. We expect this to be complete by the next City Commission meeting.
- **Purchases for TCOLE Accreditation** The Department is actively moving forward with procuring all items required for TCOLE accreditation.
- **Lexipol Policies** Policy development remains on track.

The Police Department team is making solid, consistent progress across all critical areas as we work toward standing up a fully operational department.

City Administrator's Report Boca Chica Beach Update

Significant progress continues on key beach initiatives:

- **Boca Chica Beach & Dune Restoration Feasibility Study:**
 - The project kickoff meeting was held this week with representatives from the General Land Office (GLO), Texas Parks & Wildlife, U.S. Fish & Wildlife Service, Turtle Inc., and TxDOT.
 - GLO's contracting firm, Halff, presented the project details, feasibility study, possible future mitigation and timeline. The meeting was followed by an on-site visit of Boca Chica where the beach spoke for itself, with erosion being very present as well as the gorgeous dunes that must be protected.

- **GLO Visit:**
 - Earlier today, we hosted another GLO team for a site visit to review the latest permitted areas, the dunes, and the beach entrance.

- **Beach Cleaning Services:**
 - We are on track to launch the new beach cleaning contract within the next couple of weeks. Staff will continue working closely with Mayor Peden to finalize the RFP award and begin operations.

These efforts reflect our ongoing commitment to protecting and improving Boca Chica Beach.

City Administrator’s Report FY 2027 Municipal Budget Planning Update

We are now entering the formal budget development phase for **Fiscal Year 2027**

(October 1, 2026 – September 30, 2027).

Important Texas Deadlines for General-Law Municipalities

Milestone	Required Deadline / Timing	Description
Proposed Budget filed with City Secretary	At least 30 days before tax rate adoption	Budget must be available for public inspection
Public Hearing on Proposed Budget	Before final adoption	At least one public hearing required by state law
Adoption of FY 2027 Budget	No later than September 30, 2026	Budget must be adopted before the new fiscal year begins
Adoption of Property Tax Rate	In accordance with Texas Tax Code Chapter 26	Must occur after receipt of certified appraisal roll (typically late August – September)
Start of FY 2027	October 1, 2026	New fiscal year officially begins

What the Commission Can Expect Staff will soon present a detailed **2027 Budget Calendar** with specific dates for budget work sessions, public hearings, and final adoption. We will also schedule one or more budget briefings so the Commission can provide guidance on priorities and direction.

This budget process will be critical as we continue aligning resources with Starbase’s rapid growth and long-term goals.