Post Office Box 9010 Addison, Texas
75001-9010
5300 Belt Line Road
(972) 450-7000 Fax: (972) 450-7043

AGENDA

REGULAR MEETING OF THE CITY COUNCIL

AND / OR

WORK SESSION OF THE CITY COUNCIL

6:00 PM

June 10, 2014

ADDISON TOWN HALL

5300 BELT LINE RD., DALLAS, TX 75254
6:00PM WORK SESSION
7:30PM REGULAR MEETING

WORK SESSION

WS1	Discussion and update from Kanter Financial Forensics, LLC regarding the Town's financial and accounting practices.
WS2	Presentation and discussion regarding the Farmers Branch creek at Vitruvian Park.
WS3	Presentation and discussion regarding Dallas Area Rapid Transit.

REGULAR MEETING

Pledge of Allegiance

R1 Announcements and Acknowledgements regarding Town and Council Events and Activities

Discussion of Events/Meetings

R2 Consent Agenda.

R2a Approval of the Minutes for the May 27, 2014 City Council Meeting and Work Session.

RECOMMENDATION:

Administration recommends approval.

Attachments
May 27th Minutes

R2b Approval of a resolution authorizing continued participation with, and funding for, the Steering Committee of Cities Served by Oncor.

RECOMMENDATION:

Administration recommends approval.

Attachments
ONCOR Resolution
Staff Report

R2c Approval of a resolution that authorizes the Town of Addison to be or remain a member of a 168-member city coalition known as the Atmos Cities Steering Committee (ACSC).

RECOMMENDATION:

Administration recommends approval.

Attachments
Staff Report

Invoice
Resolution

R2d Approval of a resolution affirming the appointment of Gary Slagel to the Dallas Area Rapid Transit Board of Directors.

RECOMMENDATION:

Administration recommends approval.

Attachments
DART Letter
Resolution Supporting Re-Appointment

R2e Approval of an amendment to the contract with Kanter Financial Forensics, LLC for the review of the Town's financial and accounting practices in an amount not to exceed $37,500 plus expenses.

R2f REPLAT/Greenhill School Addison Lot 1R, Block1 and Greenhill Park Lot 2. Approval of a replat for two lots totaling 72.972 acres generally at the northwest corner of Spring Valley Road and Midway Road, on application from Greenhill School, represented by Justin Waldrip of Pacheco Koch.

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on June 3, 2014, voted to recommend approval of a replat for two lots totaling 72.972 acres generally at the northwest corner of Spring Valley Road and Midway Road, subject to no conditions:

Voting Aye: Doherty, Groce, Hughes, Hunse, Oliver, Smith, Wheeler
Voting Nay: none
Absent: none

RECOMMENDATION:

Administration recommends approval.

Attachments
Replat Greenhill School Addison Council Packet

R3 **PUBLIC HEARINGS** Case 1694-SUP/Hyatt House. Public hearing, discussion, consider and take action regarding an ordinance amending and changing the zoning on property generally located within the Town at 4900 Edwin Lewis, currently zoned Planned Development District 094-076 and which zoning includes, among other things, a hotel use, by adding to the zoning restaurants, the sale of beer and wine for off-premises consumption, and the sale of alcoholic beverages for on-premises consumption only as uses that may be authorized upon the issuance of special use permit in accordance with the Town's Comprehensive Zoning Ordinance; and public hearing, discussion, consider and take action regarding an ordinance amending and changing the zoning on the said property that approves and authorizes a Special Use Permit for a restaurant, a Special Use Permit for the sale of beer and wine for off-premises consumption, and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, on application from Hyatt House-Addison represented by Marcus Schwartz.

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on June 3, 2014, voted to recommend approval of an ordinance amending Planned Development District 094-076 that zoned the property generally located at 4900 Edwin Lewis and which zoning includes, among other things, a hotel use, in order to add restaurants, the sale of beer and wine for off-premises consumption, and the sale of alcoholic beverages for on-premises consumption only as uses that may be authorized upon the issuance of Special Use Permit in accordance with the Town's Comprehensive Zoning Ordinance, and by recommending approval of an ordinance for that property that authorizes a Special Use Permit for a restaurant, a Special Use Permit for the sale of beer and wine for off-premises consumption, and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, subject to no conditions.

Voting Aye: Doherty, Groce, Hughes, Hunse, Oliver, Smith, Wheeler
Voting Nay: none
Absent: none

RECOMMENDATION:

Administration recommends approval.

Attachments

1694-SUP Council Packet

R4 **PUBLIC HEARING** Case 1695-SUP/Verts. Public hearing, discussion, consider and take action regarding an ordinance changing the zoning on property within the Town located at 5100 Belt Line Road, Suite 410A, which property is currently zoned PD, Planned Development, through Ordinance 012-001, by approving for that property a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, on application from D.M.S. Foods, Inc represented by Mr. Phil Tollios.

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on June 3, 2014, voted to recommend approval of an ordinance changing the zoning on property located at 5100 Belt Line Road, Suite 410A, which property is currently zoned PD, Planned Development, through Ordinance 012-001, by approving for that property a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, subject to no conditions.

Voting Aye: Doherty, Groce, Hughes, Hunse, Oliver, Smith, Wheeler
Voting Nay: none
Absent: none

RECOMMENDATION:

Administration recommends approval.

Attachments

1695-SUP Council Packet

R5 Discussion and take action regarding the removal of Tom Hunse as a member of the Planning and Zoning Commission.

R6 Presentation, discussion, consider and take action regarding a sub-lease agreement between the Town of Addison, as sublandlord, and the Dallas Entrepreneur Center, as subtenant, of certain premises comprising approximately 13,400 square feet of space located at 14683 Midway Road, Suite 200 in Addison, generally known as Office in the Park, for office and related purposes, including business incubation and entrepreneurial development programs.

RECOMMENDATION:

Administration recommends approval.

Attachments

DEC Proposed Sub-Lease

R7 Discussion, consider and take action regarding sponsorship of Addison residents and/or employees for the 26th class of Leadership Metrocrest.

Attachments

Leadership Metrocrest Application

Leadership Metrocrest Calendar

2013 Leadership Metrocrest Sponsorships

R8 Discussion, consider and take action regarding City Council attendance policy.

R9 Discussion regarding Addison's recognition and naming policy for town parks, trails, or facilities.

Attachments

Addison Naming Policy

R10 Discussion, consider and take action regarding proceeding with the Belt Line Road utility undergrounding project.

RECOMMENDATION:

Administration recommends approval.

R11 Presentation and discussion regarding a development proposed by AMLI Residential on Quorum Road at Edwin Lewis Drive that includes necessary sanitary sewer capacity improvements and electric service line relocation.

RECOMMENDATION:

Administration recommends approval.

R12 Presentation, discussion, consider and take action approving and authorizing the City Manager to execute a contract with Halff Engineers for preliminary design services related to the possible undergrounding of electric and telecommunication lines along Quorum Road between Belt Line Road and the DART rail right-of-way for an amount not to exceed $79,000.

RECOMMENDATION:

Administration recommends approval.

R13 Presentation and discussion concerning the Sanitary Sewer System Evaluation vapor testing component.

R14 Presentation, discussion, consider and take action approving and authorizing the execution by the City Manager of an easement granting to Oncor Electric Delivery Company LLC an easement and right-of-way for electrical supply and communication facilities in Addison right-of-way on the south side of Morris Avenue at Addison Road to facilitate improvements related to increased service reliability.

RECOMMENDATION:

Administration recommends approval.

Attachments

Morris Ave Easement

R15 Presentation, discussion, consider and take action approving and authorizing the City Manager to execute a contract with Kleinfelder for the design and construction inspection services associated with the rehabilitation of the Addison Circle Elevated Storage Tank (EST) as described in the Five-Year Capital Improvement Plan for Water Storage Facilities report dated May 16, 2014, for an amount not to exceed $220,273.

RECOMMENDATION:

Administration recommends approval.

R16 Discussion regarding the Elevated Storage Tank located within the Town adjacent to the southeast corner of the intersection of Surveyor Boulevard and Arapaho Road and the wind turbines located thereon.

Adjourn Meeting

Posted:
Matthew McCombs, June 6, 2014, 5:00pm

THE TOWN OF ADDISON IS ACCESSIBLE TO PERSONS WITH DISABILITIES. PLEASE CALL (972) 450-7090 AT LEAST 48 HOURS IN ADVANCE IF YOU NEED ASSISTANCE.

Combined Meeting **WS1**

Meeting Date: 06/10/2014

Council Goals: Mindful stewardship of Town Resources.

AGENDA CAPTION:

Discussion and update from Kanter Financial Forensics, LLC regarding the Town's financial and accounting practices.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

Combined Meeting **WS2**

Meeting Date: 06/10/2014

Council Goals: N/A

AGENDA CAPTION:

Presentation and discussion regarding the Farmers Branch creek at Vitruvian Park.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

Combined Meeting **WS3**

Meeting Date: 06/10/2014

Council Goals: Develop Next Great Idea

AGENDA CAPTION:

Presentation and discussion regarding Dallas Area Rapid Transit.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

Combined Meeting **R2a**

Meeting Date: 06/10/2014

Council Goals: N/A

AGENDA CAPTION:

Approval of the Minutes for the May 27, 2014 City Council Meeting and Work Session.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

Administration recommends approval.

Attachments

May 27th Minutes

D R A F T

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL
WORK SESSION

May 27, 2014
6:30 PM
Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254
6:30 PM Work Session I 7:30 PM Regular Meeting

Present: Arfsten; Carpenter; Clemens; DeFrancisco; Heape; Meier; Moore

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL
REGULAR MEETING

May 27, 2014
6:30 PM
Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254
6:30 PM Work Session I 7:30 PM Regular Agenda
Posted by: Matthew McCombs, May 23, 2014, 5:00 PM

WORK SESSION

WS1 Discussion regarding the City Council's policies and procedures and the Town code of ethics.

Mayor Meier moved the discussion of item WS1 to follow the discussion of item WS2.

The City Council and John Hill, City Attorney, discussed the City Council's policies and procedures and the Town Code of Ethics.

There was no action taken on this item.

WS2 Presentation and discussion of special assignments of members of the Council regarding various non-profit entities, Town facilities and projects, and local, regional and Statewide organizations to which the Council members serve as liaisons.

Mayor Meier moved the discussion of item WS2 to precede item WS1.

The City Council discussed the special assignments of members of the Council regarding various non-profit entities, Town facilities and projects, and local, regional and Statewide organizations to which the Council members serve as liaisons.

There was no action taken on this item.

REGULAR MEETING

Pledge of Allegiance

Announcements and Acknowledgements regarding Town and Council Events and Activities

Discussion of Events/Meetings

Consent Agenda.

R2a Approval of the Minutes for the May 13, 2014 Regular City Council Meeting.

RECOMMENDATION:
Administration recommends approval.

Motion made by Clemens to approve, as submitted, with the exception of item R2b,

Seconded by Moore

Voting AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Meier, Moore

Passed

R2b Approval of the Minutes for the May 19, 2014 Special City Council Meeting.

RECOMMENDATION:
Administration recommends approval.

Mayor Meier pulled item R2b to include in the minutes a reflection of the State Election law.

Motion made by Meier to approve, subject to the amended minutes,
Seconded by Clemens

Voting AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Meier, Moore

Passed

R2c Approval of ratification of the action taken by the Council on item S1 in the Special Meeting of the City Council held on May 19, 2014 approving an ordinance canvassing the results of the general municipal election held on May 10, 2014, and the approval of the said ordinance.

Motion made by Clemens to approve, as submitted, with the exception of item R2b,
Seconded by Moore

Voting AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Meier, Moore

Passed

Regular Items

R3 Presentation of the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation Award" for the fiscal year beginning October 1, 2013.

Eric Cannon, Chief Financial Officer, presented the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation Award" for the fiscal year beginning October 1, 2013.

There was no action taken on this item.

R4 Discussion, consider and take action regarding appointment of a Member to the Planning and Zoning Commission.

Council Member Clemens recommended the appointment of Tom Hunse to the Planning and Zoning Commission.

Motion made by Clemens to approve Tom Hunse's appointment,
Seconded by Carpenter

Voting AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Meier, Moore

Passed

R5 Discussion, consider and take action regarding the appointment of Mayor Pro Tempore and Deputy Mayor Pro Tempore.

Mayor Meier discussed the appointment of Mayor Pro Tempore to Council Member Clemens and the appointment of Deputy Mayor Pro Tempore to Council Member Moore.

Motion made by Meier to approve, the appointment of Mayor Pro Tempore and Deputy Mayor Pro Tempore,
Seconded by Carpenter

Voting AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Meier, Moore

Passed

R6 Presentation of and discussion regarding the summary report of the Addison Dog Park Committee.

Billy Dreis, Dog Park Committee Chair, presented the summary report of the Addison Dog Park Committee.

There was no action taken on this item.

R7 Presentation and discussion regarding contracts for services with non-profits and their annual funding requests for Fiscal Year 2014-2015.

Matt McCombs, Assistant to the City Manager, spoke regarding this item.

There was no action taken on this item.

R8 Discussion, consider and take action regarding an integrated and concurrent transaction affecting two ground-leased tracts of land at Addison Airport - 4570 Westgrove Drive (known as Westgrove Air Plaza) and an unimproved tract adjacent to Westgrove Air Plaza at the southwest corner of Addison Road and Westgrove Drive, including: (1) consenting to and authorizing the City Manager to execute an Assignment of Ground Lease from Guardian Texas Management, LLC, assignor, to Westgrove Air Plaza I, LLC for the tract located at 4570 Westgrove Drive, and an Assignment of Ground Lease from Guardian Texas Management, LLC, assignor, to Westgrove Air Plaza II, LLC for the unimproved tract; (2) approving and authorizing the City Manager to execute a Third Amendment to Ground Lease for each tract; (3) consenting to a Reciprocal Driveway and Aircraft Ramp Ingress and Egress Agreement; and (4) other matters pertaining to the transaction.

RECOMMENDATION:
Administration recommends approval.

Lisa Pyles, Director of Infrastructure Operations and Services, and Bill Dyer, Airport Real Estate Manager, spoke regarding this item.

Motion made by Clemens to approve, subject to final approval of the City Manager and City Attorney,
Seconded by Arfsten

Voting AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Meier, Moore

Passed

R9 **PUBLIC HEARING** Case 1692-Z/Westgrove Air Plaza I. Public hearing, discussion, consider and take action regarding approval of an ordinance amending the zoning on a tract of land, located at 4570 Westgrove Drive and zoned Planned Development Ordinance 85-083, by providing for a revised (amended) development plan that modifies the existing brick façade of the building located on the tract and adds to the tract a tower as an architectural feature, on application from Guardian Texas Management, LLC, represented by Mr. Cameron Jones.

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on April 24, 2014, voted to recommend approval of the request for approval of an ordinance changing the zoning on

property located 4570 Westgrove Drive, which property is currently zoned PD, Planned Development for office/hangar use, through Ordinance 85-083, by amending the currently approved development plans as to modify the existing brick façade and by adding a tower as an architectural feature, subject to the following conditions:

- A revised site plan should be submitted to reflect the location of the tower and the removal of existing parking spaces.
- The mature trees located in the landscaping area on the corner of the building should not be removed or damaged.

Voting Aye: Groce, Hewitt, Hughes, Oliver, Smith, Wheeler
Voting Nay: none
Absent: Doherty

RECOMMENDATION:
Administration recommends approval.

Charles Goff, Assistant to the City Manager, and Lisa Pyles, Director of Operations and Services, spoke regarding this item.

Cameron Jones, representative from Guardian Texas Management, LLC, also spoke regarding this item.

The following individual spoke at the public hearing:
Aubrey Macaluso, 4102 Rush Circle

Motion made by DeFrancisco to approve, subject to the conditions listed,
Seconded by Moore

Voting AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Meier, Moore

Passed

R10 Discussion regarding sponsorship of Addison residents and/or employees for the 26th class of Leadership Metrocrest.

Matt McCombs, Assistant to the City Manager, spoke regarding this item.

There was no action taken on this item.

R11 Presentation, discussion, consider and take action authorizing the City Manager to send a letter of support to the City of Farmers Branch for the Marsh Lane Pedestrian Bridge and Valley View/Rosser Pedestrian Crosswalk project located in Farmers Branch.
RECOMMENDATION:
Administration recommends approval.

Lisa Pyles, Director of Infrastructure Operations and Services, spoke regarding this item.

Motion made by Meier to approve, as submitted,
Seconded by Clemens

Voting AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Meier, Moore

Passed

R12 Discussion, consider and take action regarding proceeding with the Belt Line Road utility undergrounding project.

Lisa Pyles, Director of Infrastructure Operations and Services, and Lea Dunn, City Manager, spoke regarding this item.

There was no action taken on this item.

Adjourn Meeting

_____
Mayor-Todd Meier

Attest:

_____
City Secretary-Matthew McCombs

Combined Meeting **R2b**

Meeting Date: 06/10/2014

Council Goals: Mindful stewardship of Town Resources.

AGENDA CAPTION:

Approval of a resolution authorizing continued participation with, and funding for, the Steering Committee of Cities Served by Oncor.

FINANCIAL IMPACT:

The 2014 membership in the Steering Committee of Cities Served by ONCOR will include an amount not to exceed $1670.

BACKGROUND:

The City of Addison is a member of a 150-member city coalition known as the Steering Committee of Cities Served by Oncor. The resolution approves the assessment of an eleven cent ($0.11) per capita fee to fund the activities of the Steering Commitee.

The Steering Committee undertakes activities on behalf of municipalities for which it needs funding support from its members. Municipalities have original jurisdiction over the electric transmission and distribution rates and services within the city. The Steering Committee has been in existence since the late 1980s. It took on a formal structure in the early 1990s when cities served by TXU (since renamed as Oncor Electric Delivery Company, LLC) gave up their statutory right to rate case expense reimbursement in exchange for higher franchise fee payments. Empowered by city resolutions and funded by per capita assessments, the Steering Committee has been the primary public interest advocate before the Public Utility Commission, ERCOT, the courts, and the Legislature on electric utility regulation matters for nearly two decades.

The Steering Committee is actively involved in rate cases, appeals, rulemakings, and legislative efforts impacting the rates charged by Oncor Electric Delivery Company, LLC within the City. Steering Committee representation is also strong at ERCOT. It is possible that additional efforts will be necessary on new issues that arise during the year, and it is important that the Steering Committee be able to fund its participation on behalf of its member cities. A per capita assessment has historically been used, and is a fair method for the members to bear the burdens associated with the benefits received from that membership.

RECOMMENDATION:

Administration recommends approval.

Attachments

ONCOR Resolution
Staff Report

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING CONTINUED PARTICIPATION WITH THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR; AND AUTHORIZING THE PAYMENT OF 11 CENTS PER CAPITA TO THE STEERING COMMITTEE TO FUND REGULATORY AND LEGAL PROCEEDINGS AND ACTIVITIES RELATED TO ONCOR ELECTRIC DELIVERY COMPANY, LLC.

WHEREAS, the City of Addison, Texas is a regulatory authority under the Public Utility Regulatory Act (PURA) and has exclusive original jurisdiction over the rates and services of Oncor Electric Delivery Company, LLC (Oncor) within the municipal boundaries of the city; and

WHEREAS, the Steering Committee has historically intervened in Oncor (formerly known as TXU) rate proceedings and electric utility related rulemakings to protect the interests of municipalities and electric customers residing within municipal boundaries; and

WHEREAS, the Steering Committee is participating in Public Utility Commission dockets and projects, as well as court proceedings, and legislative activity, affecting transmission and distribution utility rates; and

WHEREAS, the City is a member of the Steering Committee of Cities Served by Oncor; and

WHEREAS, the Steering Committee functions under the direction of an Executive Committee (whose current members are identified in Attachment 1) which sets an annual budget and directs interventions before state and federal agencies, courts and legislatures, subject to the right of any member to request and cause its party status to be withdrawn from such activities; and

WHEREAS, the Executive Committee in its December 2013 meeting set a budget for 2014 that compels an assessment of eleven cents ($0.11) per capita; and

WHEREAS, in order for the Steering Committee to continue its participation in these activities which affects the provision of electric utility service and the rates to be charged, it must assess its members for such costs.

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

I.

That the City is authorized to continue its membership with the Steering Committee of Cities Served by Oncor to protect the interests of the City of Addison, Texas and protect the interests of the customers of Oncor Electric Delivery Company, LLC residing and conducting business within the City limits.

II.

The City is further authorized to pay its assessment to the Steering Committee of eleven cents ($0.11) per capita based on the population figures for the City shown in the latest TML Directory of City Officials.

III.

A copy of this Resolution and the assessment payment check made payable to *"Steering Committee of Cities Served by Oncor"* shall be sent to Jay Doegey, Chair, Steering Committee of Cities Served by Oncor, c/o City Attorney's Office, Mail Stop 63-0300, P.O. Box 90231, Arlington, Texas 76004-3231.

PRESENTED AND PASSED on this the _____ day of _____, 2014, by a vote of _____ ayes and _____ nays at a regular meeting of the City Council of the City of Addison, Texas.

_____
Signature
Mayor

ATTEST:

_____
Signature
City Secretary

APPROVED AS TO FORM:

_____
Signature
City Attorney

Attachment 1
OCSC 2014 Executive Committee Members

Allen	Eric Ellwanger, Assistant to City Manager
Arlington	Jay Doegey, City Attorney
Burkburnett	Trish Holley, Director of Administration
Carrollton	Elizabeth Horn, Assistant City Attorney
Cleburne	Kim Galvin, Director of Finance
Colleyville	Cathy Cunningham, Attorney
Comanche	Bill Flannery, City Manager
Dallas	Nick Fehrenbach, Manager of Regulatory Affairs & Utility Franchising
Denison	Courtney Goodman-Morris, City Attorney
Flower Mound	Melanie Harden, Director of General Services
Fort Worth	Bridgette Garrett, Director of Budget & Management Services
Frisco	Ben Brezina, Assistant to City Manager
Grand Prairie	Don Postell, City Attorney
Haltom City	Joel Welch, Chief Financial Officer and Assistant City Manager
Irving	Carrie Morris, Assistant City Attorney
Lewisville	Phil Boyd, Consultant
Mansfield	Joe Smolinski, Director of Utility Operations
Mesquite	Cynthia Steiner, Assistant City Attorney
Odessa	James Zentner, Assistant City Manager
Plano	Mark Israelson, Director of Policy and Government Relations
Sherman	Brandon Shelby, City Attorney
The Colony	Gwen Mansfield, Assistant Finance Director
Tyler	Mark McDaniel, City Manager
Waco	Jennifer Richie, City Attorney
Watauga	Greg Vick, City Manager
Waxahachie	Doug Barnes, Director of Economic Development

STAFF REPORT ON ASSESSMENT RESOLUTION
FOR STEERING COMMITTEE OF CITIES SERVED BY ONCOR

Purpose of the Resolution

The City of Addison is a member of a 150-member city coalition known as the Steering Committee of Cities Served by Oncor. The resolution approves the assessment of an eleven cent ($0.11) per capita fee to fund the activities of the Steering Commitee.

Why this Resolution is Necessary

The Steering Committee undertakes activities on behalf of municipalities for which it needs funding support from its members. Municipalities have original jurisdiction over the electric transmission and distribution rates and services within the city. The Steering Committee has been in existence since the late 1980s. It took on a formal structure in the early 1990s when cities served by TXU (since renamed as Oncor Electric Delivery Company, LLC) gave up their statutory right to rate case expense reimbursement in exchange for higher franchise fee payments. Empowered by city resolutions and funded by per capita assessments, the Steering Committee has been the primary public interest advocate before the Public Utility Commission, ERCOT, the courts, and the Legislature on electric utility regulation matters for nearly two decades.

The Steering Committee is actively involved in rate cases, appeals, rulemakings, and legislative efforts impacting the rates charged by Oncor Electric Delivery Company, LLC within the City. Steering Committee representation is also strong at ERCOT. It is possible that additional efforts will be necessary on new issues that arise during the year, and it is important that the Steering Committee be able to fund its participation on behalf of its member cities. A per capita assessment has historically been used, and is a fair method for the members to bear the burdens associated with the benefits received from that membership.

Explanation of "Be It Resolved" Paragraphs

I. The City is currently a member of the Steering Committee; this paragraph authorizes the continuation of the City's membership.

II. This paragraph authorizes payment of the City's assessment to the Steering Committee in the amount of eleven cents ($0.11) per capita, based on the population figure for the City as shown in the latest TML Directory of City Officials.

III. This paragraph requires notification to the Chair of the Steering Committee, Jay Doegey, that the City has adopted the Resolution.

Payment of Assessment

A copy of the resolution should be mailed with payment of the fee to Jay Doegey, Chair, Steering Committee of Cities Served by Oncor, c/o City Attorney's Office, Mail Stop 63-0300, P.O. Box 90231, Arlington, Texas 76004-3231. Checks should be made payable to: *Steering Committee of Cities Served by Oncor*.

Combined Meeting **R2c**

Meeting Date: 06/10/2014

Council Goals: Mindful stewardship of Town Resources.

AGENDA CAPTION:

Approval of a resolution that authorizes the Town of Addison to be or remain a member of a 168-member city coalition known as the Atmos Cities Steering Committee (ACSC).

FINANCIAL IMPACT:

The assessment for 2014 is a per capita fee of $0.05. Total population 15,179 at $0.05 per capita is $758.95. Invoice attached.

BACKGROUND:

ACSC protects the authority of municipalities over the monopoly natural gas provider and defends the interests of the residential and small commercial customers within the cities. Cities are the only consumer advocates that work to keep natural gas rates reasonable. The work undertaken by ACSC has saved ratepayers millions of dollars in unreasonable charges. The past year, in particular, has been an active one for ACSC.

From 2008-2011, Atmos Mid-Tex made Rate Review Mechanism ("RRM") filings, seeking to increase rates in the cities. However, negotiations between Atmos Mid-Tex and ACSC to perpetuate the RRM program for a fifth year were unsuccessful. On January 31, 2012, Atmos Mid-Tex filed its statement of intent to increase rates by approximately $49 million or 11.94%. Other than amounts that the Company voluntarily agreed to reduce following the filing of ACSC testimony, the Railroad Commission awarded the Company almost the entire amount of its requested increase, despite arguments and evidence presented by ACSC that the Company was currently overearning and, in fact, deserved a rate decrease. Efforts will be initiated in the near future to test whether a new form of RRM is possible after the exceedingly favorable treatment afforded Atmos by the Railroad Commission.

This year at the Legislature promises to be a busy one. The Railroad Commission of Texas is currently under Sunset Commission review and ACSC is prepared to effectively advocate on behalf of its members. Bills have been filed that would deprive cities of original jurisdiction over rates and services, effectively precluding future implementation of an RRM-type process and denying reimbursement of reasonable rate case expenses associated with city regulatory efforts. Additionally, the Atmos-Pipeline rate case appeal continues to work its way up the

courts and is currently docketed in the Third Court of Appeals. ACSC will continue to advocate for the interests of ACSC members in that proceeding, as well as at the Legislature.

Payment of the membership assessment fee shall be deemed to be agreement with the terms of the ACSC participation agreement.

RECOMMENDATION:

Administration recommends approval.

Attachments

Staff Report
Invoice
Resolution

STAFF REPORT ON ASSESSMENT RESOLUTION FOR ATMOS CITIES STEERING COMMITTEE

Purpose of the Resolution:

Most municipalities have retained original jurisdiction over gas utility rates and services within municipal limits. The Atmos Cities Steering Committee ("ACSC") is composed of municipalities in the service area of Atmos Energy Corporation, Mid-Tex Division regardless of whether original jurisdiction has been retained. Atmos is a monopoly provider of natural gas. Because Atmos has no competitors, regulation of the rates that it charges its customers is the only way that cities can ensure that natural gas rates are fair. Working as a coalition to review the rates charged by Atmos allows cities to accomplish more collectively than each city could do acting alone. Cities have more than 100 years experience in regulating natural gas rates in Texas.

ACSC is the largest coalition of cities served by Atmos Mid-Tex. There are 168 ACSC member cities, which represent more than 60 percent of the total load served by Atmos-Mid Tex. ACSC protects the authority of municipalities over the monopoly natural gas provider and defends the interests of residential and small commercial customers within the cities. Although many of the activities undertaken by ACSC are connected to rate cases (and therefore expenses are reimbursed by the utility), ACSC also undertakes additional activities on behalf of municipalities for which it needs funding support from its members.

The ACSC Membership Assessment Supports Important Activities:

ACSC is actively involved in rate cases, appeals, rulemakings, and legislative efforts impacting the rates charged by Atmos within the City. These activities will continue throughout the calendar year. It is possible that additional efforts will be necessary on new issues that arise during the year, and it is important that ACSC be able to fund its participation on behalf of its member cities. A per capita assessment has historically been used, and is a fair method for the members to bear the burdens associated with the benefits received from that membership.

Explanation of Resolution Paragraphs:

I. This paragraph authorizes the continuation of the City's membership in ACSC.

II. This paragraph authorizes payment of the City's assessment to the ACSC in the amount of five cents ($0.05) per capita.

III. This paragraph requires notification that the City has adopted the Resolution.

Payment of Assessment

The assessment payment check should be made out to "*Atmos Cities Steering Committee*"and mailed to Jay Doegey, Co-Chair, Atmos Cities Steering Committee, c/o Arlington City Attorney's Office, Mail Stop 63-0300, P.O. Box 90231, Arlington, Texas 76004-3231.

Atmos Cities Steering Committee
c/o Jay Doegey, City Attorney
101 S. Mesquite, 3rd Floor
Arlington, TX 76010

Invoice

Date	Invoice #
3/24/2014	14-168

Bill To
City of Addison

Item	Rate	Population	Amount
2014 Assessment Expense	0.05	15,179	758.95
		Total	$758.95

Please make check payable to: Atmos Cities Steering Committee. Mail to ACSC, c/o Jay Doegey, City Attorney, 101 S. Mesquite, 3rd Floor Arlington, TX 76010

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING CONTINUED PARTICIPATION WITH THE ATMOS CITIES STEERING COMMITTEE; AND AUTHORIZING THE PAYMENT OF FIVE CENTS PER CAPITA TO THE ATMOS CITIES STEERING COMMITTEE TO FUND REGULATORY AND RELATED ACTIVITIES RELATED TO ATMOS ENERGY CORPORATION

WHEREAS, the City of _____ is a regulatory authority under the Gas Utility Regulatory Act (GURA) and has exclusive original jurisdiction over the rates and services of Atmos Energy Corporation, Mid-Tex Division (Atmos) within the municipal boundaries of the city; and

WHEREAS, the Atmos Cities Steering Committee (ACSC) has historically intervened in Atmos rate proceedings and gas utility related rulemakings to protect the interests of municipalities and gas customers residing within municipal boundaries; and

WHEREAS, ACSC is participating in Railroad Commission dockets and projects, as well as court proceedings and legislative activities, affecting gas utility rates; and

WHEREAS, the City is a member of ACSC; and

WHEREAS, in order for ACSC to continue its participation in these activities which affects the provision of gas utility service and the rates to be charged, it must assess its members for such costs; NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF _____, TEXAS:

I.

That the City is authorized to continue its membership with the Atmos Cities Steering Committee to protect the interests of the City of _____ and protect the interests of the customers of Atmos Energy Corporation, Mid-Tex Division residing and conducting business within the City limits.

II.

The City is further authorized to pay its 2014 assessment to the ACSC in the amount of five cents ($0.05) per capita.

III.

A copy of this Resolution and approved assessment fee payable to *"Atmos Cities Steering Committee"* shall be sent to:

Jay Doegey
Co-Chair, Atmos Cities Steering Committee
c/o Arlington City Attorney's Office, Mail Stop 63-0300
P.O. Box 90231
Arlington, Texas 76004-3231

PRESENTED AND PASSED on this the _____ day of _____, 2014, by a vote of _____ ayes and _____ nays at a regular meeting of the City Council of the City of _____, Texas.

_____
Signature
Mayor

ATTEST:

_____
Signature
City Secretary

APPROVED AS TO FORM:
City Attorney

BY_____

Combined Meeting **R2d**

Meeting Date: 06/10/2014

Council Goals: N/A

AGENDA CAPTION:

Approval of a resolution affirming the appointment of Gary Slagel to the Dallas Area Rapid Transit Board of Directors.

FINANCIAL IMPACT:

N/A

BACKGROUND:

This item affirms the re-appointment of Gary Slagel as Addison's representative to the DART Board of Directors. The seat held by Mr. Slagel is shared between Addison, Richardson, Highland Park, and University Park. Mr. Slagel has served in this capacity since 2011.

RECOMMENDATION:

Administration recommends approval.

Attachments

DART Letter

Resolution Supporting Re-Appointment

Dallas Area Rapid Transit
P.O. Box 660163
Dallas, Texas 75266-0163
214/749-3278

May 2, 2014

Ms. Lea Dunn
City Manager
Town of Addison
P.O. Box 9010
Addison, Texas 75254

Re: Town of Addison's Representative to DART's Board of Directors

Dear Ms. Dunn:

Members of DART's Board of Directors serve staggered two-year terms pursuant to Section 452.578 of the Texas Transportation Code. Gary Slagel was appointed to represent the Town of Addison. His term of office will expire on June 30, 2014.

Please send a copy of the resolution appointing or re-appointing a representative for the to the DART Board of Directors to the attention of:

Nancy K. Johnson
Director, Office of Board Support
Dallas Area Rapid Transit
P.O. Box 660163
Dallas, Texas 75266
Fax (214) 749-3651

If you have any questions regarding this matter, please call me at (214) 749-3347.

Sincerely,

Nancy K. Johnson

Nancy K. Johnson
Director, Office of Board Support

NKJ/lh

C: Robert Strauss, Chair
Gary C. Thomas
Scott Carlson

TOWN OF ADDISON, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS RE-APPOINTING GARY A. SLAGEL TO THE AGGREGATED POSITION OF REPRESENTATIVE TO THE BOARD OF DIRECTORS OF THE DALLAS AREA RAPID TRANSIT AUTHORITY, WHICH FRACTIONAL ALLOCATION MEMBERSHIP IS SHARED WITH THE CITIES OF RICHARDSON AND UNIVERSITY PARK AND THE TOWN OF HIGHLAND PARK; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Addison, Texas (the "City") is a member of the Dallas Area Rapid Transit ("DART") and, in accordance with Section 452.573(a) of the Texas Transportation Code (the "Code") may make an appointment to the DART Board of Directors (the "Board") in the same ratio as the population of the City bears to the population of the DART region; and

WHEREAS, as set forth in Section 452.573(b) of the Code, the City's population entitles the City to make a fraction of an appointment to the Board and to combine that fraction with one or more other municipalities in DART area subregion to be entitled to make one appointment; and

WHEREAS, the DART Board of Directors previously adopted Resolution 110089 that, for purposes of representation on the Board, apportioned its member cities and combined the cities of Richardson, Addison, Highland Park, and University Park as a unit having one Board representative representing the four cities, that representative being Gary A. Slagel, who was previously appointed by the said four cities to serve a term on the Board continuing through and ending June 30, 2014; and

WHEREAS, the City of Richardson, the City of University Park, and the Towns of Addison and Highland Park have mutually agreed to aggregate population in accordance with Section 452.573 of the Code for the selection of a DART Board Member, and in accordance therewith the City desires to re-appoint Gary A. Slagel to serve as the City's representative on the DART Board as set forth herein.

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

Section 1**.** The Cities of Richardson and University Park and the Town of Highland Park having concurred, the Town of Addison, Texas hereby appoints Gary A. Slagel to serve, subject to law, as a member of the DART Board of Directors in the aggregated position for a two-year term commencing July 1, 2014 and continuing through and ending June 30, 2016.

Section 2. This Resolution shall become effective immediately upon its passage and approval.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas, on this the ___ day of June, 2014.

_____
Todd Meier, Mayor

ATTEST:

By:_____
Matt McCombs, City Secretary

APPROVED AS TO FORM:

By:_____
John Hill, City Attorney

Combined Meeting **R2e**

Meeting Date: 06/10/2014

Council Goals: Mindful stewardship of Town Resources.

AGENDA CAPTION:

Approval of an amendment to the contract with Kanter Financial Forensics, LLC for the review of the Town's financial and accounting practices in an amount not to exceed $37,500 plus expenses.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

Combined Meeting **R2f**

Meeting Date: 06/10/2014

Council Goals: Create and implement a Comprehensive Land Use/Revitalization Plan

---

AGENDA CAPTION:

REPLAT/Greenhill School Addison Lot 1R, Block1 and Greenhill Park Lot 2. Approval of a replat for two lots totaling 72.972 acres generally at the northwest corner of Spring Valley Road and Midway Road, on application from Greenhill School, represented by Justin Waldrip of Pacheco Koch.

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on June 3, 2014, voted to recommend approval of a replat for two lots totaling 72.972 acres generally at the northwest corner of Spring Valley Road and Midway Road, subject to no conditions:

Voting Aye: Doherty, Groce, Hughes, Hunse, Oliver, Smith, Wheeler
Voting Nay: none
Absent: none

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

Administration recommends approval.

Attachments

Replat Greenhill School Addison Council Packet

May 28, 2014

STAFF REPORT

RE:	REPLAT/Greenhill School Addison Lot 1R, Block 1 and Greenhill Park Lot 2.
LOCATION:	Two lots totaling 72.972 acres generally at the northwest corner of Spring Valley Road and Midway Road
REQUEST:	Approval of a preliminary replat
APPLICANT:	Greenhill School, represented by Mr. Justin Waldrip of Pacheco Koch

DISCUSSION:

Background. This preliminary replat supports the construction of Greenhill School's new performing arts center and the relocation of the athletic fields. A replat was necessary to adjust and record new utility and access easements necessary to service the new building and fields.

Infrastructure Operations and Services Review. The Town's engineers have reviewed the plat and have no adjustments.

RECOMMENDATION:

Staff recommends approval of the proposed preliminary replat subject to no conditions.

Respectfully submitted,

Charles Goff
Assistant to the City Manager

REPLAT/Greenhill School Addison Lot 1R, Block1 and Greenhill Park Lot 2
June 4, 2014

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on June 3, 2014, voted to recommend approval of a replat for two lots totaling 72.972 acres generally at the northwest corner of Spring Valley Road and Midway Road, subject to no conditions:

Voting Aye: Doherty, Groce, Hughes, Hunse, Oliver, Smith, Wheeler
Voting Nay: none
Absent: none

Combined Meeting **R3**

Meeting Date: 06/10/2014

Council Goals: Create and implement a Comprehensive Land Use/Revitalization Plan

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AGENDA CAPTION:

PUBLIC HEARINGS Case 1694-SUP/Hyatt House. Public hearing, discussion, consider and take action regarding an ordinance amending and changing the zoning on property generally located within the Town at 4900 Edwin Lewis, currently zoned Planned Development District 094-076 and which zoning includes, among other things, a hotel use, by adding to the zoning restaurants, the sale of beer and wine for off-premises consumption, and the sale of alcoholic beverages for on-premises consumption only as uses that may be authorized upon the issuance of special use permit in accordance with the Town's Comprehensive Zoning Ordinance; and public hearing, discussion, consider and take action regarding an ordinance amending and changing the zoning on the said property that approves and authorizes a Special Use Permit for a restaurant, a Special Use Permit for the sale of beer and wine for off-premises consumption, and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, on application from Hyatt House-Addison represented by Marcus Schwartz.

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on June 3, 2014, voted to recommend approval of an ordinance amending Planned Development District 094-076 that zoned the property generally located at 4900 Edwin Lewis and which zoning includes, among other things, a hotel use, in order to add restaurants, the sale of beer and wine for off-premises consumption, and the sale of alcoholic beverages for on-premises consumption only as uses that may be authorized upon the issuance of Special Use Permit in accordance with the Town's Comprehensive Zoning Ordinance, and by recommending approval of an ordinance for that property that authorizes a Special Use Permit for a restaurant, a Special Use Permit for the sale of beer and wine for off-premises consumption, and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, subject to no conditions.

Voting Aye: Doherty, Groce, Hughes, Hunse, Oliver, Smith, Wheeler
Voting Nay: none
Absent: none

FINANCIAL IMPACT:
N/A

BACKGROUND:
N/A

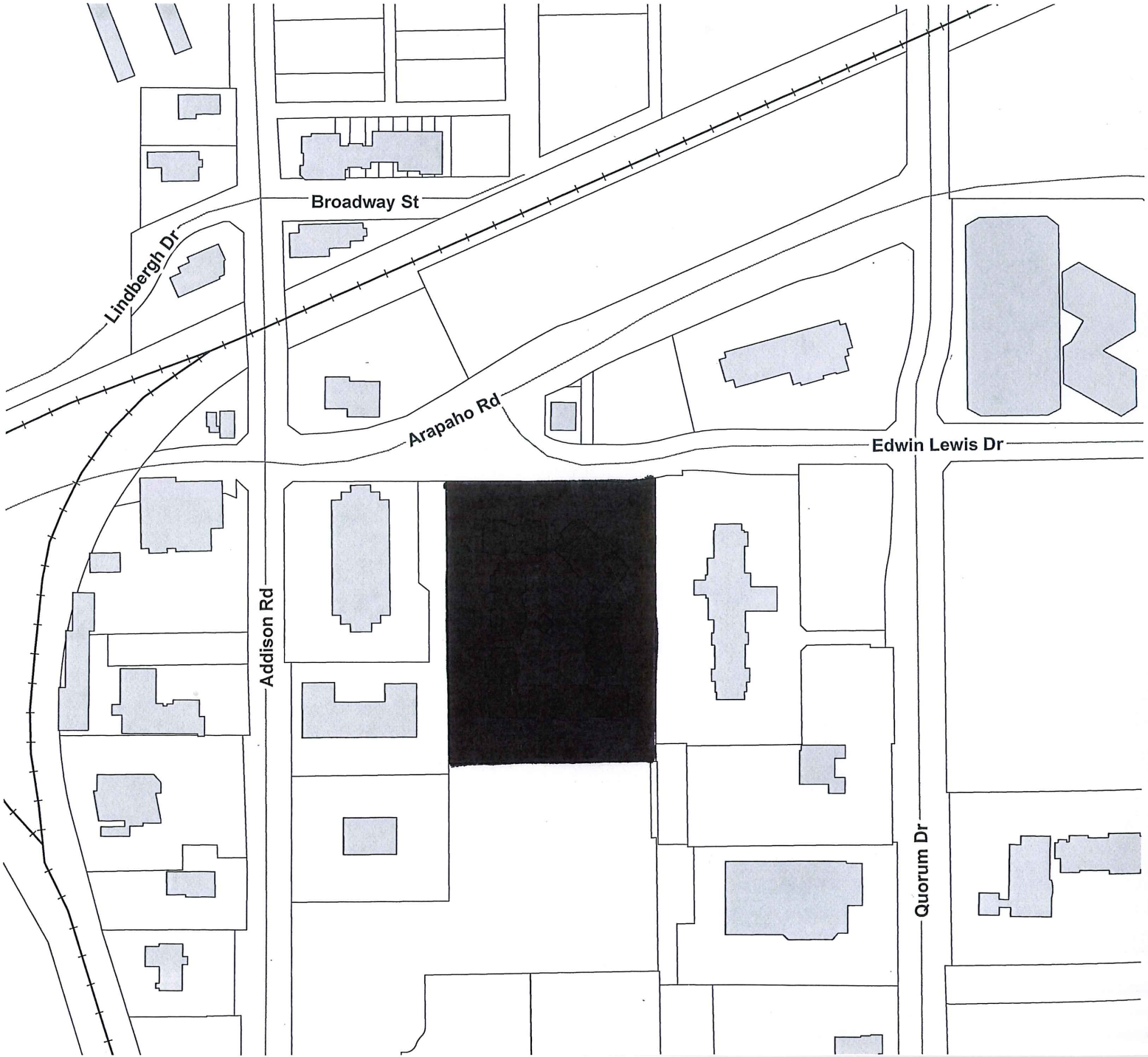
RECOMMENDATION:
Administration recommends approval.

Attachments

1694-SUP Council Packet

1694-SUP

PUBLIC HEARING Case 1694-SUP/Hyatt House. Public hearing, discussion and consideration of a recommendation for approval of an ordinance amending Planned Development District 094-076 that zoned the property generally located at 4900 Edwin Lewis and which zoning includes, among other things, a hotel use, in order to add restaurants, the sale of beer and wine for off-premises consumption, and the sale of alcoholic beverages for on-premises consumption only as uses that may be authorized upon the issuance of special use permit in accordance with the Town's Comprehensive Zoning Ordinance, and by recommending approval of an ordinance for that property that authorizes a Special Use Permit for a restaurant, a Special use Permit for the sale of beer and wine for off-premises consumption, and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, on application from Hyatt House-Addison represented by Marcus Schwartz.



May 28, 2014

STAFF REPORT

RE:	Case 1694-SUP/Hyatt House
LOCATION:	4900 Edwin Lewis Drive
REQUEST:	Approval of an amendment to the existing Planned Development District 094-076 adding restaurants, the sale of beer and wine for off-premises consumption, and the sale of alcoholic beverages for on-premises consumption only as uses that may be authorized upon the issuance of a special use permit, and approval of a Special Use Permit for a restaurant, a Special Use Permit for the sale of beer and wine for off-premises consumption, and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only.
APPLICANT:	Hyatt House-Addison, represented by Mr. Marcus Schwartz

DISCUSSION:

Background: This site was originally the Summerfield Suites, which was approved by Special Use Permit in 1994. It continued to operate as a Summerfield Suites until 2012, when the brand was purchased by Hyatt and was renamed Hyatt House.

Hyatt House is a very nice, reputable extended stay chain. The Addison location features 132 rooms. The hotel has always operated a limited restaurant for guests and provided complementary beer and wine. Food service in hotels is a gray area of the zoning code. Historically, we have treated it as a supplementary use that does not require SUP approval for a restaurant, as long as they are primarily serving the users of the hotel.

Proposed Plan: The applicant is requesting two things. The first is to have the ability to sell alcoholic beverages for on-premises consumption from the dining area, which will operate from 5pm-10pm offering a quick service food menu featuring appetizers, sandwiches, soups and salads, in addition to the proposed full bar. While food may be ordered and taken to a room, beverages must be consumed in the dining area.

Secondly, they are proposing to sell beer and wine for off-premises consumption only out of the gift shop in addition to candy, snacks, health and beauty items, and non-alcoholic beverages. The gift shop is a relatively small area consisting of approximately 77 square feet. This would be another amenity for the in-house guests of the hotel.

For these two requests to occur, the Planning and Zoning Commission and Council must consider an amendment to the Planned Development district adding restaurants and the sale of alcoholic beverages for on premise consumption and the sale of beer and wine for off-premise consumption to the list of allowed uses for the site. Each of these uses also requires approval of a special use permit. While we have historically treated dining areas at hotels a supplementary uses, staff is proposing to classify this as a restaurant from a zoning perspective in order to remain in keeping with the Town's practice of limiting the sale of alcoholic beverages for on-premise consumption to restaurants.

Parking: Sufficient parking is provided on site currently to meet the requirements of the code. Since the area in question is already serving as a dining area, the proposed plan does not alter the required parking.

Landscaping: The landscaping at the site has been inspected by the Town's landscape architect and is in compliance with the code.

Signs. The applicant is not planning an exterior signage for either the dining area or gift shop.

RECOMMENDATION:

This request is in keeping with Comprehensive Plan's stated objective to keep Addison's hotels competitive through the administrative support of additional amenities that attract customers to the Town. Staff recommends approval of the request subject to no conditions.

Respectfully submitted,

Charles Goff
Assistant to the City Manager

Land Use Analysis

Attributes of Success Matrix

Hyatt House, 4900 Edwin Lewis **1694-SUP**

Attribute	Comment	Score
Competitive	Hyatt House remains competitive among similar hotels in the area. These additional offerings will help them be more competitive.	
Safe	The project will be safe.	
Functional	The site is functional as an extended stay hotel.	
Visually Appealing	The site is somewhat dated, but has been well maintained.	
Supported with Amenities	The site is in a very amenity-rich area between Addison Circle and the restaurants along Belt Line.	
Environmentally Responsible	They Hyatt brand has an environmental sustainability initiative known as Hyatt Thrive and they have adopted sustainable business practices.	
Walkable	The project is walkable.	
Overall Assessment	**Hyatt House has been a good hotel for Addison. The proposed changes will help them improve the customer experience and remain competitive.**	

Case 1694-SUP/Hyatt House
June 4, 2014

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on June 3, 2014, voted to recommend approval of an ordinance amending Planned Development District 094-076 that zoned the property generally located at 4900 Edwin Lewis and which zoning includes, among other things, a hotel use, in order to add restaurants, the sale of beer and wine for off-premises consumption, and the sale of alcoholic beverages for on-premises consumption only as uses that may be authorized upon the issuance of special use permit in accordance with the Town's Comprehensive Zoning Ordinance, and by recommending approval of an ordinance for that property that authorizes a Special Use Permit for a restaurant, a Special use Permit for the sale of beer and wine for off-premises consumption, and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, subject to no conditions:

Voting Aye: Doherty, Groce, Hughes, Hunse, Oliver, Smith, Wheeler
Voting Nay: none
Absent: none

Combined Meeting **R4**

Meeting Date: 06/10/2014

Council Goals: Attract new businesses to Addison
Create and implement a Comprehensive Land Use/Revitalization Plan

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AGENDA CAPTION:

PUBLIC HEARING Case 1695-SUP/Verts. Public hearing, discussion, consider and take action regarding an ordinance changing the zoning on property within the Town located at 5100 Belt Line Road, Suite 410A, which property is currently zoned PD, Planned Development, through Ordinance 012-001, by approving for that property a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, on application from D.M.S. Foods, Inc represented by Mr. Phil Tollios.

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on June 3, 2014, voted to recommend approval of an ordinance changing the zoning on property located at 5100 Belt Line Road, Suite 410A, which property is currently zoned PD, Planned Development, through Ordinance 012-001, by approving for that property a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, subject to no conditions.

Voting Aye: Doherty, Groce, Hughes, Hunse, Oliver, Smith, Wheeler
Voting Nay: none
Absent: none

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

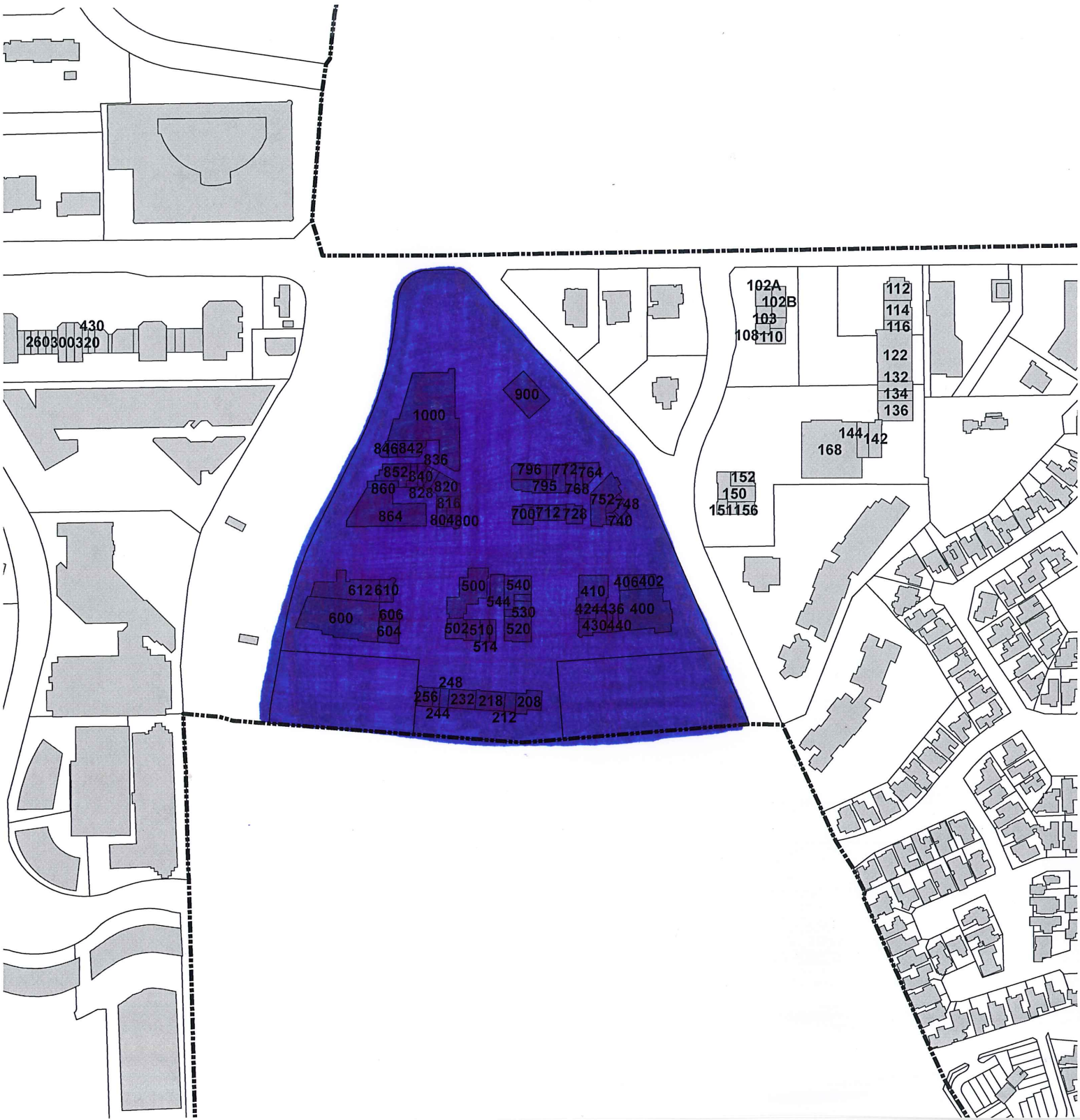
Administration recommends approval.

Attachments

1695-SUP Council Packet

1695-SUP

PUBLIC HEARING Case 1695-SUP/Verts. Public hearing, discussion and consideration of a recommendation for approval of an ordinance changing the zoning on property located at 5100 Belt Line Road, Suite 410A, which property is currently zoned PD, Planned Development, through Ordinance 012-001, by approving for that property a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, on application from D.M.S. Foods, Inc represented by Mr. Phil Tollios.



May 28, 2014

STAFF REPORT

RE:	Case 1695-SUP/Verts
LOCATION:	5100 Belt Line Road Suite 410A
REQUEST:	Approval of a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only
APPLICANT:	D.M.S. Foods, Inc. represented by Mr. Phil Tollios

DISCUSSION:

Background: This is a 2,450 square foot lease space in Village on the Parkway. Previously, this area was incorporated into the larger 410 Suite which housed restaurants such as Lombardi Mare, Django's, and most recently, Vue972. When Social House moved into Suite 410, a portion of the space was partitioned and left unoccupied. There is an existing small kitchen and bar area in Suite 410A, making this suite suitable for use by a small restaurant.

Verts is a fast casual concept founded in Austin by students at the University of Texas. The restaurant serves döner kebabs, which are a popular German street food similar in concept to the Greek gyro. The restaurant currently has 13 locations in and around Central Texas. This would be their first of several locations planned for the North Texas area.

Proposed Plan: The applicant is requesting approval of a special use permit for a restaurant and to have the ability serve alcoholic beverages for on premises consumption only. The floor plan features seating for 73 people. The plan also features a Smart Car located in the center of their counter seating area. In Austin, instead of food trucks, Verts uses Smart Cars and this has become part of the Verts brand. This will be for display purposes only, and no food will be served from the car.

Exterior Facades: The applicant is proposing to change the façade by adding additional windows and by removing the existing buttress and replacing it with an awning structure in order to achieve a more modern appearance.

Parking: The plans show the center will provide 2,240 spaces, which is 642 spaces over the required number. Under the approved plan for the center, the parking can be provided anywhere on the site, and does not have to be immediately in front of the tenant's lease space. This 2,450 square-foot space will require 10 parking spaces, which are provided on the site.

Staff has continued to work closely with the Village on the Parkway management. The most recent plans continue to indicate that no additional restaurants are contemplated except to occupy existing restaurant spaces such as this.

Landscaping: The landscaping at the site has been addressed to the satisfaction of the staff and continues to be well maintained

Food Service Code. The kitchen installation must meet all requirements of the Food Service Code. The Environmental Services Official has noted that the plans indicate a full-sized and good quality kitchen.

Fire and Building Code. The secondary fire exit from this space will exit through the delivery area courtyard to the rear of the building. There are currently two large gates that enclose this area. A conforming exit access path will need to be constructed from this courtyard area. This is a code requirement and does not need to be included as a condition.

Mechanical Equipment. The applicant should be aware that if any new mechanical equipment is added to the roof of the restaurant, it must be screened from all adjacent properties. The screening mechanism shall be architecturally compatible, and the Building Official shall make the determination of "architecturally compatible".

Signs. The applicant has not shown signs on the facades. While signs are not approved through this process, this site is interior to the Village on the Parkway shopping center, and the signs will not be visible from outside the Village on the Parkway property.

RECOMMENDATION:

The Town is pleased to have Verts come to Addison, and recommends approval of this request subject to no conditions.

Respectfully submitted,

Charles Goff
Assistant to the City Manager

Land Use Analysis

Attributes of Success Matrix

Verts Restaurant, 5100 Belt Line Road, Suite 410A **1695-SUP**

Attribute	Comment	Score
Competitive	This proposed restaurant will be a new restaurant for Addison and will help the Village on the Parkway become a destination for dining	
Safe	The project will be safe.	
Functional	The space will be functional, and staff feels that parking concerns have been addressed.	
Visually Appealing	The restaurant will be visually appealing.	
Supported with Amenities	The site is in a very amenity-rich area.	
Environmentally Responsible	The site is part of larger redevelopment that is remodeling existing retail spaces and will provide a new, more energy efficient center. Landscaping has also been addressed in an environmentally responsible manner.	
Walkable	The project is extremely walkable.	
Overall Assessment	**This is a good-quality restaurant and will be an asset to the Town.**	

Case 1695-SUP/Verts
June 4, 2014

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on June 3, 2014, voted to recommend approval of an ordinance changing the zoning on property located at 5100 Belt Line Road, Suite 410A, which property is currently zoned PD, Planned Development, through Ordinance 012-001, by approving for that property a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, subject to no conditions:

Voting Aye: Doherty, Groce, Hughes, Hunse, Oliver, Smith, Wheeler
Voting Nay: none
Absent: none

Combined Meeting **R5**

Meeting Date: 06/10/2014

Council Goals: N/A

AGENDA CAPTION:

Discussion and take action regarding the removal of Tom Hunse as a member of the Planning and Zoning Commission.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

Combined Meeting **R6**

Meeting Date: 06/10/2014

Council Goals: Create raving fans of the Addison Experience.
Maintain and enhance our unique culture of creativity and innovation.
Attract new businesses to Addison
Develop Next Great Idea

AGENDA CAPTION:

Presentation, discussion, consider and take action regarding a sub-lease agreement between the Town of Addison, as sublandlord, and the Dallas Entrepreneur Center, as subtenant, of certain premises comprising approximately 13,400 square feet of space located at 14683 Midway Road, Suite 200 in Addison, generally known as Office in the Park, for office and related purposes, including business incubation and entrepreneurial development programs.

FINANCIAL IMPACT:

The monthly lease cost for Addison of the entire 14,800 square feet is $15,416.67 plus an estimated 7% in operating costs totalling about $1,079.17.

BACKGROUND:

In January 2014, the Addison City Council authorized the City Manager to negotiate and execute a lease with the landlord of Office in the Park for 14,800 square feet. When authorization was granted, City Council was mindful that the space would not only house the Addison Economic Development Department, but a satellite operation of the Dallas Entrepreneur Center (DEC), an office for the North Texas Small Business Development Center, and business incubation space for Baylor University's Accelerated Ventures Program as well. The Addison Economic Development Department will directly occupy approximately 1,400 square feet of space. The remaining 13,400 square feet of space will be made up of business incubation and conference space that will be managed by the DEC. This location would become the central location for the town's economic development endeavors and one-stop shop for entrepreneurs interested in launching a new business.

The sublease formalizes the arrangement between Addison and the Dallas Entrepreneur Center. In January 2014, Council was supportive of the partnership with the DEC based on the premise that the DEC would achieve certain deliverables that are highlighted in the lease. These include:

- 10% reimbursement to Town of Addison for each seat leased at the Addison incubator.
- DEC will hire a professional for Addison operation.
- Invest approximately $500 monthly with Addison vendors for event catering, and coffee, snacks, and other supplies for DEC members.
- Reimbursement to town of early sub-lease termination costs/penalties associated with space lease if DEC requests early exit and/or assist with identifying a viable organization that can replace the DEC to manage the business incubation space.
- Provide Accelerated Ventures Program participants free access to all DEC organized events.
- Provide an office space for the North Texas Small Business Development Center.
- Potential to attract 30+ start-up companies (not including Baylor program) in first year of stabilization.
- Manage space allocation for business start-ups being incubated.

RECOMMENDATION:

Administration recommends approval.

Attachments

DEC Proposed Sub-Lease

SUBLEASE AGREEMENT

This Sublease Agreement ("Sublease") is made and entered into effective this ____ day of _____, 2014 ("Sublease Effective Date"), by and between the Town of Addison, Texas, a Texas home rule municipality ("Sublandlord" or "Addison"), and The Dallas Entrepreneur Center, a _____*[type of entity and state of formation]*_____ ("Subtenant" or "the DEC") (Sublandlord and Subtenant may sometimes hereinafter be collectively referred to as the "Parties" and individually as a "Party").

Basic Lease Provisions

Unless the context clearly indicates a different meaning, the words and phrases set forth below in this Basic Lease Provisions shall have the following meanings when used in this Sublease:

Sublandlord:	Town of Addison, Texas
Subtenant:	The Dallas Entrepreneur Center, a __*[type of entity and state of formation]*___ _____.
Prime Landlord:	14671-14683 Midway Road LP, a Texas limited partnership
Prime Lease:	Office Lease Agreement between Prime Landlord and Sublandlord with an Effective Date of _____, 2014, a true and correct copy of which is attached to the Sublease as Exhibit 1.
Lease Premises:	Approximately 14,800 rentable square feet located at 14681 Midway Road, Suite No. 200 of Building 5 of that development known as Office in the Park (the Office in the Park development, consisting of seven (7) buildings containing approximately 183,446 rentable square feet situated on a tract of land containing approximately 11.2967 acres being referred to in this Sublease as the "Property").
Building:	Building 5 of that development known as Office in the Park (the Office in the Park development, consisting of seven (7) buildings containing approximately 183,446 rentable square feet situated on a tract of

	land containing approximately 11.2967 acres).
Property:	That tract of land on which the Building is situated that contains approximately 11.2967 acres of land, and including the Building and all other improvements on the said tract of land.
Sublease Premises:	That portion of the Lease Premises described and depicted on Exhibit 2 attached hereto and incorporated herein by this reference, without any representation by Sublandlord whatsoever as to the actual square feet contained in the Sublease Premises, the Lease Premises, the Building, or the Property, or any portions of any of them.
Commencement Date:	The later of (a) the date that Subtenant and Sublandlord shall have signed this Sublease or (b) _____, 2014 (but if Subtenant and Sublandlord have not each signed this Sublease by _____, 2014, this Sublease shall have no force or effect whatsoever and be null and void).
Rent Commencement Date:	The Commencement Date.
Expiration Date:	The last day of the Term or, if applicable, the Renewal Term (as "Renewal Term" is defined in Section 3, below) (the Expiration Date being the date upon which the Term (or Renewal Term, if applicable) expires solely as the result of the lapse of time, and is the same day as the expiration date of the Prime Lease (and as the same may be extended by Sublandlord) as the result of the lapse of the term of the Prime Lease).
Term:	A period of 60 months commencing on the Commencement Date and ending on the 60th full calendar month following the Commencement Date (and such period may be extended for the Renewal Term in accordance with and subject to the

provisions of Section 3, below, and any other applicable provisions of this Sublease), subject however, to the earlier termination of this Sublease.

Permitted Use: General office use for the sole purpose of stimulating job growth and driving the Addison economy and as set forth in Exhibit 3 attached hereto and incorporated herein by this reference and as further described in Section 4(a) of this Sublease. Such use is, however, only as and to the extent permitted by the Prime Lease.

Broker(s): None.

Recitals:

A. Addison is a tenant of the Lease Premises pursuant and subject to the Prime Lease.

B. The DEC is is a business support structure focused on stimulating job growth and driving the local economy, and has an office located at 1333 North Stemmons Freeway, Suite 110, Dallas, Texas 75207 ("Dallas Office").

C. Sublandlord desires to sublease the Sublease Premises to Subtenant, and Subtenant desires to sublease the Sublease Premises from Sublandlord, upon the terms and subject to the conditions set forth in this Sublease, and subject to the provisions of the Prime Lease, as the same may be amended from time to time.

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

1. Recitals. Subtenant and Sublandlord acknowledge the above Recitals to this Sublease are correct, and the same are incorporated by reference into this Sublease.

2. Sublease Premises, Use. Sublandlord hereby subleases to Subtenant, and Subtenant hereby subleases from Sublandlord, the Sublease Premises. Subtenant may only use the Sublease Premise for the Permitted Use, and for no other use or purpose whatsoever without the prior written consent of Sublandlord. Subtenant shall not leave the Sublease Premises vacant, but shall continuously throughout the term of this Sublease conduct and carry on in the entirety of the Sublease Premises the Permitted Use (including as described in Section 4(a), below) on a regular basis, except during periods in which the Sublease Premises may not be occupied as a result of a fire or other casualty, or during any commercially reasonable period necessary for

making repairs and alterations, all such repairs and alterations to be diligently pursued to completion.

During the Term and except for the Dallas Office location, neither Subtenant nor any of its board members, officers, officials, employees, representatives, or agents, or any affiliate of or related to Subtenant, shall own, establish, operate, manager, or provide consulting or advisory services to, an entrepreneurial or business start-up facility or concept that competes with, may compete with, or is intended to compete with the use and operation of the Sublease Premises by Subtenant pursuant to this Sublease and that is located within 15 miles of the Sublease Premises, without the prior written consent of Sublandlord.

3. Term. This Sublease shall commence on the Commencement Date and continue for the Term, subject, however, to the earlier termination of this Sublease.

If Sublandlord is entitled to and does exercise its option to renew the Prime Lease for the Renewal Term (as defined in Exhibit E to the Prime Lease and so called herein), then in that instance the Term of this Sublease may be extended at Subtenant's option (referred to herein as the "Sublease Option") for the same period of time for which Sublandlord has extended the term of the Prime Lease, subject to and in accordance with the following and provided the Sublease Option Condition (defined herein) is satisfied at the time Subtenant exercises the Sublease Option:

(a) If and when Sublandlord exercises its option to renew the Prime Lease for the Renewal Term, Sublandlord shall promptly give Subtenant written notice of that exercise (the "Sublandlord Option Notice"). Upon giving the Sublandlord Option Notice to Subtenant, Subtenant may exercise the Sublease Option by giving Sublandlord written notice of such exercise (the "Subtenant Option Exercise Notice") no later than fifteen (15) days after Subtenant receives the Sublandlord Option Notice (the "Sublease Option Date").

(b) Should Subtenant fail to timely and validly exercise the Sublease Option by giving Sublandlord the Subtenant Option Exercise Notice by the Sublease Option Date, or if the Sublease Option Condition is not satisfied so as to entitle Subtenant to exercise the Sublease Option, then the Sublease Option shall be null and void and of no further force or effect. The term "Sublease Option Condition" means that, as of the time of Subtenant's purported exercise of the Sublease Option, Subtenant is not then in breach of this Sublease and Subtenant has never, at any time, been in default of any provision of this Sublease beyond any applicable cure period.

4. Rent.

(a) In using the Sublease Premises for the Permitted Use, Subtenant shall regularly market and promote the Sublease Premises to entrepreneurial business start-ups ("Business Start-Ups") to locate and operate their businesses within the Sublease Premises. For purposes hereof, "Business Start-Ups" mean businesses that are newly formed and in the early stages of development and operation.

The use of the Sublease Premises for such Business Start-Ups is the essential purpose of this Sublease, and promotes economic development and stimulates business and commercial activity in Addison. In using the Sublease Premises for the Permitted Use, Subtenant shall, at a minimum, conduct the same type and level of operations and functions at the Sublease Premises as it conducts, on the Sublease Effective Date, at its offices located at 1333 North Stemmons Freeway, Dallas, Texas 75207. Those operations and functions are generally outlined and described at the Subtenant's Internet website at www.thedec.co and in Exhibit ___ attached to this Sublease and incorporated herein.

In facilitating Business Start-Ups, Subtenant will require those Business Start-Ups that locate within or use the Sublease Premises to pay a fee, the amount of which is based upon the extent of use by the Business Start-Up of the services to be provided to the Business Start-Up by Subtenant ("Business Start-Up Fee"). As of the Effective Date, the opportunity offered by Subtenant to a Business Start-Up is referred to by Subtenant as a "membership," and there are three levels of membership (see Exhibit ___) and a corresponding Business Start-Up Fee applicable to the membership level. During the Term, Subtenant shall pay to Sublandlord an amount equal to ten percent (10%) of all Business Start-Up Fees received and/or collected by or on behalf of Subtenant (such amount being referred to herein as "Base Rent") in accordance with the following:

(i) Each month during the Term Subtenant shall pay to Sublandlord Base Rent calculated and based upon Business Start-Up Fees received and/or collected by or on behalf of Sublandlord for the immediately prior month (or partial month, if applicable). Such payment shall be made on or before the 10th day of each month, with the first payment of Base Rent being due and payable on or before the 10th day of the month next following the month in which the Commencement Date occurs. Base Rent shall be payable without notice or demand and without set-off, deduction, or abatement.

(ii) Simultaneously with the payment of Base Rent, Subtenant shall provide to Sublandlord a written statement that includes: (A) the name of each Business Start-Up, (B) the amount of the Business Start-Up Fee paid by each Business Start-Up for the immediately prior month, (C) the total amount of Business Start-Up Fees received and/or collected by or for Subtenant during the immediately prior month, (D) the amount of Base Rent being paid for the then applicable month, and (E) the total (cumulative) amount of Business Start-Up Fees collected by Subtenant and the total (cumulative) amount of Base Rent paid during the then applicable calendar year.

The remaining ninety percent (90%) of Business Start-Up Fees shall be used by Subtenant solely for the following purposes without the prior written consent of Sublandlord: (1) facilitating payment for the individual described in subsection (b) of this Section, (2) providing furniture and technology (e.g., computers, etc.) necessary so that the Sublease Premises can be used for the purposes intended by this Sublease, (3) hosting events directly related to the purposes of this Sublease, (4) providing coffee, snacks and other amenities to the persons (members) that use the Sublease Premises for the purpose set forth herein. Within 30 days after the end of each calendar year while this Agreement is in effect and more often as requested by

Sublandlord (and within 30 days after the termination or expiration of this Sublease), Subtenant will give to Sublandlord a written statement that details the of the remaining 90% of Business Start-Up Fees that is in form and content acceptable to Sublandlord.

Business Start-Up Fees shall be at or about the highest amounts charged by Subtenant at its Dallas Office location and at any other entrepreneurial or business start-up locations owned, managed, or operated by Subtenant or any person or affiliate related to Subtenant. From time to time as requested by Sublandlord, Subtenant shall provide to Sublandlord a list of all such locations and all amounts charged at such locations. Sublandlord may from time to time review the Business Start-Up Fees and provide comments to Subtenant regarding them, and Subtenant shall give reasonable consideration to such comments.

Upon Subtenant's approval of any Business Start-Up to operate from or to use the Sublease Premises or any portion thereof, Subtenant will provide to Sublandlord a copy of any agreement between Subtenant and the Business Start-Up and any other documentation or materials pertaining to such operation or use by the Business Start-Up. Subtenant shall be responsible to monitor the conduct and activities of all Business Start-Ups and their owners, employees, representatives, and agents, and to ensure that their conduct and activities are in accordance with and do not violate this Sublease or the Prime Lease. All activities, operations and use of the Sublease Premises by any Business Start-Up shall be subject to the provisions

The Sublease Premises shall not be used for, and no Business Start-Up shall promote, sell, encourage, lease, license, operate, or manage, directly or indirectly, anything or any activity that relates or has to do with a violation of law; libelous, defamatory, obscene, pornographic, abusive or otherwise offensive content; gambling; prostitution; any act involving moral turpitude; lottery tickets or other public gaming tickets; unsolicited mass distribution of e-mail; multi-level marketing; hate materials; or hacking/suveillance/interception/descrambling equipment. If Sublandlord, in its sole and absolute discretion determines that this provision is being violated, Sublandlord shall notify Subtenant of the same and Subtenant shall immediately cause the violation to be stopped, failing which Subtenant may take such action as Sublandlord deems necessary or appropriate in order to cause the violation to be stopped and/or may terminate this Sublease without notice or opportunity to cure by Subtenant.

(b) Subtenant shall provide an individual to manage and oversee the use of the Sublease Premises on business days between the hours of 8:00 a.m. and 5:00 p.m. Subtenant shall be responsible for payment of all compensation and benefits to such person. Subtenant shall provide the name and contact information for such person to Sublandlord to enable Sublandlord to be able to get into contact with such person at all times. For purposes of this Sublease, "business day" means Monday through Friday, exclusive of holidays; and "holidays" means New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Friday immediately following Thanksgiving Day, Christmas Eve, and Christmas Day.

(c) As part of Subtenant's ongoing relationship with Business Start-Ups, Subtenant will encourage Business Start-Ups to locate their business on a more permanent basis in Addison.

(d) Late Fees and Returned Check Charges. In addition to any other remedy set forth in this Sublease, at law, in equity, or otherwise, if payment of Rent is not made by the fifth day following the date on which such amount is due and payable, Subtenant shall pay to Sublandlord a late charge equal to the greater of (i) $250.00, or (ii) 8% of such overdue payment. In the event any check of Subtenant is returned to Sublandlord for non-payment, Sublandlord shall assess an administrative charge in the amount of $50.00 on each check so returned. Subtenant shall pay all late fees or returned check administrative charges on the first day of the month following the month in which such fee or charge was incurred. Such fees and charges shall be deemed additional Rent (hereafter defined).

(e) Rent Defined. Base Rent and all other monies payable by Subtenant to Sublandlord under this Sublease are collectively referred to herein as "Rent." Sublandlord shall have the same rights and remedies for non-payment of any Rent. The obligation to pay Rent is an independent, unconditional covenant.

5. Common Area. Subject to all of the provisions of the Prime Lease and this Sublease, Subtenant and its employees, agents, invitees, and customers shall have the non-exclusive right to the use of the Common Area (as it exists and is intended for such purposes, from time to time) to the same extent as Sublandlord. The term "Common Area" has the meaning set forth in Paragraph 7 (Common Area) of the Prime Lease or as may be otherwise described in the Prime Lease. Subtenant's use of the Common Area is in all things subject to and shall be in compliance with the terms and provisions of the Prime Lease applicable to the use of the Common Area by Sublandlord (as the Tenant under the Prime Lease).

6. Prime Lease.

(a) Sublease Subordinate to Prime Lease; Terms; Subject to Law. This Sublease is subject and subordinate to the Prime Lease and to all other matters and interests to which the Prime Lease is or shall be subordinate. Notwithstanding any other provision of this Sublease, the Term of this Sublease shall not extend beyond the term of the Prime Lease, and upon the expiration or termination of the Prime Lease this Sublease shall automatically terminate.

Subtenant represents and warrants that it has read and is familiar with the terms of the Prime Lease and agrees that no provisions of this Sublease shall be deemed to grant Subtenant any rights greater than those accorded to Sublandlord as Tenant under the Prime Lease. The terms, covenants, and conditions set forth in the Prime Lease are incorporated herein by reference, except to the extent they are inapplicable, modified by or inconsistent with the provisions of this Sublease. Nothing contained in this Sublease shall be construed to create privity of estate or contract between Subtenant and Prime Landlord.

Capitalized terms not otherwise defined in this Sublease shall have the meanings ascribed to such terms in the Prime Lease. This Sublease is subject to all Applicable Laws (as defined in Section 17(d), below).

(b) Description of Parties' Obligations. It is not practical in this Sublease to enumerate and to allocate specifically all of the rights and obligations of the parties under the

Prime Lease. Accordingly, in order to afford Subtenant the benefits of this Sublease and those provisions of the Prime Lease which, by their nature, are intended to benefit the party in possession of the Sublease Premises, and in order to protect Sublandlord against a default by Subtenant which might, in turn, cause a default by Sublandlord under the Prime Lease, the Parties agree to the general allocation of rights, duties, obligations and responsibilities set forth in this Section 6.

(c) Subtenant agrees that it will not, by its act or omission to act, cause default under the Prime Lease. Further, notwithstanding any provision in this Sublease or the Prime Lease to the contrary, Subtenant shall have no right, power or authority, without the prior written approval of Sublandlord, to materially adversely affect Sublandlord's interests, rights or remedies under, the Prime Lease. Except as otherwise expressly provided herein, (1) Subtenant shall perform all affirmative covenants and shall refrain from performing any act which is prohibited by the Prime Lease where the obligation to perform or refrain from performing is by its nature imposed upon the party in possession of the Sublease Premises (*e.g.*, use, maintenance and repair of the Sublease Premises), (2) if applicable, Subtenant shall perform affirmative covenants which are also covenants of Sublandlord under the Prime Lease prior to the date when Sublandlord's performance is required under the Prime Lease, and (3) if Subtenant fails to fulfill its obligations under this Section 6(c) or as otherwise set forth in this Sublease, Sublandlord shall have the right to cure, at Subtenant's sole expense (such expenses of any nature or kind whatsoever being payable to Sublandlord immediately upon demand) any such failure by Subtenant.

(d) Rights to Prime Landlord's Obligations. Subtenant has the right to receive all of the services and benefits with respect to the Sublease Premises which are to be provided by Prime Landlord under the Prime Lease. Notwithstanding the foregoing, Subtenant hereby acknowledges and agrees that: (1) no representation or warranty made by Prime Landlord in the Prime Lease shall be deemed to be a representation or warranty made by Sublandlord to Subtenant hereunder; (2) Sublandlord shall have no duty to perform any obligations of Prime Landlord which are by their nature the obligation of an owner or manager of real property and Subtenant shall look solely to Prime Landlord for the performance thereof, including, without limitation, the provision of services, maintenance, repairs, and compliance with legal requirements; (3) Sublandlord shall have no responsibility for or be liable to Subtenant for any default, failure or delay on the part of Prime Landlord in the performance by Prime Landlord of any of its obligations under the Prime Lease, nor shall such default, failure or delay by Prime Landlord affect this Sublease or waive or defer the performance of any of Subtenant's obligations hereunder; and (4) notwithstanding the foregoing provisions of subsection (3), provided that Subtenant pays all costs and expenses of Sublandlord allocable to Sublandlord under the Prime Lease, and indemnifies and holds Sublandlord harmless in connection therewith, Sublandlord shall, upon written notice from Subtenant, reasonably cooperate with Subtenant in obtaining Prime Landlord's performance of its obligations under the Prime Lease.

(e) Additional Prime Landlord Services. If Subtenant requires additional services of Sublandlord and Prime Landlord is obligated in the Prime Lease to furnish those services to Sublandlord, then Subtenant shall pay to Sublandlord all of Prime Landlord's charges for such services within five days after Subtenant's receipt of an invoice therefor. If a charge for such

additional services is attributable to the use of such services both by Sublandlord and Subtenant, the cost thereof shall be equitably divided between Sublandlord and Subtenant.

(f) Exclusions of Certain Provisions of Prime Lease; Signage. Notwithstanding any provision herein to the contrary, Subtenant shall not have any rights or obligations under the following provisions of the Prime Lease: (i) renewal rights, (ii) option rights, (iii) right of first refusal rights, (iv) early termination rights, and (v) signs and signage.

(g) No Assignment, Subletting or Other Transfer by Subtenant; Transfer by Sublandlord. Notwithstanding any provision in this Sublease or the Prime Lease to the contrary, Subtenant shall have no right, power or authority to sell, assign, mortgage, hypothecate, encumber, transfer or otherwise convey any interest of Prime Landlord or Sublandlord in the Prime Lease, to assign, sell, mortgage, hypothecate, encumber, transfer or otherwise convey Subtenant's interest or any portion thereof in this Sublease, or to sublet the Sublease Premises, in whole or in part, by operation of law or otherwise without the prior written consent of Sublandlord. Further, Subtenant shall not permit the Sublease Premises, the Premises, the Building, or the Property to become subject to any mechanics', laborers' or materialman's liens on account of labor or material furnished or claimed to have been furnished to Subtenant for work performed or claimed to have been performed on the Sublease Premises. Sublandlord may, however, assign or otherwise convey or transfer its interest under the Prime Lease as permitted by the terms and conditions thereof, and upon such assignment, conveyance, or transfer, Sublandlord shall be released from all of its covenants and obligations hereunder.

A transfer of the controlling stock (if applicable) or ownership interest in Subtenant or a change in the entity structure of Subtenant shall be deemed an assignment of this Sublease, requiring the prior written consent of Sublandlord. Subtenant shall give to Sublandlord, as may be requested by Sublandlord from time to time, the names of all individuals or entities that have or had an ownership interest in Subtenant and their respective percentage of ownership. Subtenant shall reimburse Sublandlord for all costs, including without limitation attorney's fees, incurred by Sublandlord in connection with the review, approval, and preparation of documentation related to any requested assignment, sublease, or transfer by Subtenant.

(h) Shortened Time Limits. Time is of the essence of this Sublease. Except as otherwise expressly set forth herein or in the event of an emergency, the time limits contained in the Prime Lease for the giving of notices, making payments or demands or performing of any act, condition or covenant by Sublandlord are hereby changed for the purposes of this Sublease by shortening the same in each instance by three (3) days so that Subtenant shall have a lesser time to perform hereunder than Sublandlord has under the Prime Lease.

(i) Rights Afforded to Sublandlord. Sublandlord shall be entitled to the same access to the Sublease Premises as Prime Landlord has to the Premises pursuant to the Prime Lease and to all other rights and remedies which Prime Landlord has under the Prime Lease with respect to Sublandlord. Accordingly, Subtenant shall not change the locks to the Sublease Premises unless it provides Sublandlord with two (2) sets of copies thereof. Further, wherever the Prime Lease requires the consent of Prime Landlord, the consent of Sublandlord shall also be required.

7. Prime Landlord's Consent to Sublease. This Sublease and the obligations of the Parties may be expressly conditioned upon Prime Landlord's consent hereto in accordance with the Prime Lease. Subtenant agrees to furnish to Sublandlord such information as may be reasonably necessary to obtain such consent, and to enter into such agreements among Prime Landlord, Sublandlord and Subtenant as Prime Landlord may reasonably require. Any delay in Prime Landlord's furnishing such consent shall not postpone or extend the Expiration Date.

8. Default and Remedies.

(a) Subtenant shall be in default of this Sublease if: (1) Subtenant fails to timely pay when due any amounts required to be paid by Subtenant hereunder and such failure continues uncured for a period of seven (7) days after written notice thereof to Subtenant; (2) Subtenant fails to perform or comply with any other covenant or obligation of this Sublease or the Prime Lease required to be performed by Subtenant or with which Subtenant must comply, and such failure continues uncured for a period of 10 days after written notice thereof to Subtenant; (3) Subtenant is declared insolvent by law, an assignment of Subtenant's property is made for the benefit of creditors, a receiver is appointed for Subtenant or Subtenant's property, or an involuntary petition is filed against Subtenant in bankruptcy which is not dismissed within 30 days of filing; or (4) Subtenant vacates the Sublease Premises for more than 10 consecutive days, not caused by casualty, construction, reconstruction, repair or maintenance.

(b) Prime Landlord Claims. If Prime Landlord shall claim or otherwise allege in writing that a use of, action or inaction involving, or other circumstances concerning, the Sublease Premises is in violation of any provision of the Prime Lease or may become a default under the Prime Lease, then Subtenant shall, promptly after written notice from Sublandlord or Prime Landlord, cease such use or action, or take such action or cause such circumstances to be changed so that the basis or alleged basis for such claim or allegation shall no longer exist.

(c) Sublandlord Remedies. Upon the occurrence of a default by Subtenant under this Sublease, and in addition to all of the rights and remedies available to Sublandlord pursuant to law, in equity or otherwise: (1) Sublandlord shall have the same rights and remedies with respect to such default by Subtenant as Prime Landlord has with respect to a breach or default (an "Event of Default" under the Prime Lease) of the Prime Lease by Sublandlord; (2) Sublandlord shall have the right to terminate this Sublease and to re-enter and repossess the Sublease Premises without prejudice to any remedies for damages, including, without limitation, recovery of accrued unpaid Rent; and (3) Sublandlord may terminate Subtenant's right to possession of the Sublease Premises without terminating this Sublease or releasing Subtenant from any of its obligations hereunder, including, without limitation, the obligation to pay Rent, whereupon the right of Subtenant to possession of the Sublease Premises shall cease. In the event Sublandlord terminates Subtenant's right to possession pursuant to subsection (3), Sublandlord shall have the right to later terminate the Sublease and / or relet the Sublease Premises, and, at Subtenant's cost and expense, change the locks and other entry devices of the Sublease Premises, make repairs, alterations and additions in or to the Sublease Premises, and redecorate the same to the extent deemed necessary by Sublandlord. Subtenant shall pay such costs and expenses on demand, including without limitation brokerage and attorney's fees incurred by Sublandlord. The rights and remedies afforded to Sublandlord pursuant to the Prime Lease and this Sublease, at law or in

equity or otherwise, are cumulative, and may be pursued successively or concurrently as Sublandlord may elect. Further, the failure of Sublandlord to insist upon the strict performance of any provision of this Sublease or the Prime Lease, or to exercise any right or remedy hereunder or available at law or in equity or otherwise, shall under no circumstances be construed as a waiver or relinquishment of any provision, right or remedy.

9. As-Is; Subtenant Improvements.

(a) Condition of Sublease Premises. (i) Subtenant acknowledges that it has inspected the Sublease Premises and all the equipment, apparatus, plumbing, heating, air conditioning, electric, water, waste disposal and other systems relating thereto and the parking lot and the other Common Area of the Property, engaged such professionals and inspectors as Subtenant deems prudent with respect to the same, and reviewed and approved the reports prepared by such professionals and inspectors. Consequently, Subtenant accepts the Sublease Premises and all the equipment, apparatus, plumbing, heating, air conditioning, electric, water, waste disposal and other systems relating thereto and the parking lot and the other Common Area of the Property in their "**AS IS, WITH ALL FAULTS**" condition existing as of the Sublease Effective Date, but subject to Sublandlord's provision of the Sublandlord Improvements as defined in subsection 9(a)(ii), below. Except to the extent set forth in subsection 9(a)(ii), below, Sublandlord shall have no obligation to perform any alterations, work or repairs (including, without limitation, any electrical work or other work necessary to make the Sublease Premises comply with any Applicable Laws (hereafter defined)) or pay any sums to Subtenant or any other party in order to prepare the Sublease Premises for Subtenant's occupancy thereof. Subtenant acknowledges that no representations with respect to the condition of the Sublease Premises, or with respect to the condition of any fixtures, equipment, furnishings, installations, or systems therein contained or otherwise connected thereto, have been made to Subtenant by Sublandlord or any other party. Further, Subtenant accepts and approves the manner in which Prime Landlord has maintained and repaired the Sublease Premises and Common Area of the Property as of the Sublease Effective Date.

(ii) Using a contractor or contractors selected by Sublandlord, in its sole discretion, Sublandlord will at its cost (but Sublandlord may receive from Prime Landlord an allowance to reimburse such cost) provide a "finish out" of the Sublease Premises, consisting of painting and cabling (the "Sublandlord Improvements"). It is anticipated that the Sublandlord Improvements will be described in a plan or plans prepared by a design professional selected by Sublandlord in its sole discretion, and such plan or plans, if any, will constitute the maximum extent of the Sublandlord Improvements.

In the event that Subtenant shall be entitled to possession of the Sublease Premises during any period in which Sublandlord is constructing the Sublandlord Improvements pursuant to this subsection, Subtenant shall not interfere with Sublandlord's completion of the Sublandlord Improvements.

Notwithstanding anything contained herein to the contrary, in the event that Sublandlord does not substantially complete the Sublandlord Improvements on or before the Commencement Date, the Commencement Date shall be extended by the number of days following the

Commencement Date until the date of substantial completion of the Sublandlord Improvements. For purposes hereof, the Sublandlord Improvements shall be deemed to be substantially completed upon the issuance by the Town of Addison of a certificate of occupancy for the Sublease Premises (whether a temporary certificate of occupancy or a permanent certificate of occupancy).

By opening for business in the Sublease Premises, Tenant shall be deemed to have: (a) accepted the Sublease Premises in their "**AS IS, WITH ALL FAULTS**" condition existing as of the Commencement Date, and (b) agreed that the obligations of Landlord to provide the Sublandlord Improvements have been fully performed.

Except for the Sublandlord Improvements, Sublandlord not be obligated to complete or otherwise provide any other work for or to the Sublease Premises.

(b) Improvements. Except for the Sublandlord Improvements, Subtenant acknowledges that Subtenant shall be solely liable for constructing improvements to the Sublease Premises. Except for the Sublandlord Improvements, Sublandlord is not obligated to make any improvements to the Sublease Premises. Prior to commencing the construction of any work or alterations in the Sublease Premises, if any, Subtenant will deliver to Sublandlord full, complete working drawings and specifications for the improvements and alterations Subtenant desires to construct in the Sublease Premises, as well as the names, addresses, and qualifications of all prospective architects, engineers, and licensed, insured and bonded contractors which Subtenant intends to use for performance of the Sublease Premises improvements (collectively, the "TI Materials"). All such construction, including such drawings and specifications, design professionals, and contractors, are subject to Prime Landlord's prior written approval in accordance with Prime Landlord's requirements as may be included in the Prime Lease or otherwise, and further subject to Sublandlord's prior written approval. Sublandlord has no control over the approval process and Prime Landlord's decision to approve the TI Materials, Plans and Specifications, Subtenant Improvements, and the Contractor(s) is solely at its discretion; further, Sublandlord's decision to approve the TI Materials, Plans and Specifications, Subtenant Improvements, and the Contractor(s) shall be solely at Sublandlord's discretion. For purposes of this Sublease, the approved (by Prime Landlord and by Sublandlord) working drawings and specifications are referred to as the "Plans and Specifications," the improvements shown thereon are referred to as the "Subtenant Improvements," and the approved (by Prime Landlord and by Sublandlord) general contractor is referred to as the "Contractor."

Before commencing any Subtenant Improvements, Subtenant will deliver to Sublandlord certificates evidencing proof of insurance of the type required below, as well as copies of all necessary permits and licenses and anything else required by Sublandlord. Throughout the performance and construction of the Subtenant Improvements, Subtenant shall maintain in full force and effect builder's "all risk" insurance and general liability insurance in amounts, types, and with carriers reasonably acceptable to Prime Landlord and to Sublandlord, as well as workers' compensation coverage as required by law. Such insurance policies shall name Prime Landlord, Sublandlord and such additional parties as Prime Landlord and Sublandlord may reasonably request, provided such beneficiary designation is allowed under the Prime Lease, as additional insureds.

In all events, Subtenant shall cause the Subtenant Improvements to be constructed (a) promptly by the approved Contractor, (b) in a good and workmanlike manner, (c) in compliance with all Applicable Laws (hereafter defined), permits, licenses and insurance requirements, (d) in full compliance with all of the reasonable rules and regulations applicable to third party contractors and suppliers performing work at the Property, (e) in compliance with any security requirements of Sublandlord or Prime Landlord, (f) subject to the approval of Sublandlord and Prime Landlord, (g) in compliance with the Prime Lease and in exact conformance with the Plans and Specifications, and (h) entirely at Subtenant's sole cost and expense. Sublandlord and Prime Landlord may, but are not required to, oversee and/or inspect the construction of the Subtenant Improvements. Immediately after completing the Subtenant Improvements, Subtenant shall furnish Sublandlord and Prime Landlord with a certificate of occupancy, Contractor affidavits as required by Applicable Laws (hereafter defined) and Sublandlord, full and final lien waivers (sufficient under Texas law to extinguish all lien rights), and receipted bills covering all labor and materials expended and used in connection with the Subtenant Improvements. **Subtenant hereby releases and will indemnify, protect, defend (with counsel reasonably acceptable to Sublandlord), and hold harmless Sublandlord, Prime Landlord, and their respective agents and employees from and against any and all claims, damages, causes of action, liabilities, or expenses in any manner relating to or arising out of any work performed, materials furnished, or obligations incurred by or for Subtenant or any person or entity claiming by, through, or under Subtenant, in connection with all Subtenant Improvements.**

Notwithstanding Prime Landlord's or Sublandlord's approval or acceptance of any TI Materials, Plans and Specifications, Contractor(s), or Subtenant Improvements, such approval or acceptance shall not constitute nor be deemed a release of the responsibility and liability of Subtenant, its owners, officers, employees, professional consultants, contractors, representatives, and agents for the accuracy and competency of the same and the services provided or the work performed, nor shall such approval or acceptance be deemed to be an assumption of or an indemnification for such responsibility or liability by Prime Landlord or by Sublandlord for any defect, error or omission in the same, it being understood that Sublandlord shall be and remain at all times fully responsible and liable for the same.

In connection with Subtenant's Improvements to the Sublease Premises, at the Expiration Date or upon the earlier termination of this Sublease, Sublandlord may require that Subtenant remove any or all of such Subtenant's Improvements and restore the Sublease Premises to the condition existing prior to the making of the same. The provisions of this paragraph shall survive the expiration or termination of this Sublease.

10. Parking. Throughout the Term and subject to the Prime Lease and except as set forth in this Section 10, Subtenant has, in its use and occupancy of the Sublease Premises, the right to the use of parking and parking spaces at the Building in the same manner and subject to the same terms and conditions as the Sublandlord (as Tenant under the Prime Lease) has under the Prime Lease. Subtenant shall have no right to covered parking spaces except as may be first approved in writing by Sublandlord.

11. Repairs; Janitorial Services.

(a) Repairs and Maintenance. Subtenant shall, at its sole expense, make all needed non-structural repairs and replacements, and perform all needed maintenance to the Sublease Premises, in accordance with the Prime Lease (including, without limitation, Section 11.(b) of the Prime Lease) in the same manner and to the same extent as if Subtenant was the Tenant under the Prime Lease. Subtenant shall, in addition, comply with all provisions of the Prime Lease applicable to the Tenant regarding the maintenance, repair and replacement of or to the Sublease Premises.

(b) Janitorial Services. Janitorial services to the Sublease Premises are subject to the provisions of the Prime Lease.

12. Insurance.

(a) At all times in connection with this Sublease, Subtenant shall maintain the insurance coverages described herein with financially responsible insurance companies holding a Best Rating of not less than A-VIII and authorized to do business in the State of Texas. Such insurance coverages shall minimally include: (i) a commercial general liability insurance policy with respect to the Sublease Premises and its appurtenances with a limit of not less than $1,000,000.00 per occurrence / $2,000,000.00 general aggregate / $2,000,000.00 completed operations aggregate (and coverage for products/completed operations must be maintained for at least two (2) years after construction work has been completed), and including contractual liability covering, but not limited to, the liability assumed under the indemnification provisions of this Sublease; such coverage must be amended to provide for an each-project aggregate limit of insurance; (ii) workers compensation insurance at statutory limits, including Employers Liability coverage a minimum limits of $500,000 each-occurrence each accident/$500,000 by disease each-occurrence/$500,000 by disease aggregate; (iii) a commercial umbrella liability insurance policy with a limit of not less than $3,000,000.00; (iv) a “Causes of loss-special form” policy, or its equivalent (f/k/a all risk property insurance policy), insuring all merchandise, leasehold improvements, furniture, fixtures and other personal property, all at their replacement cost; and (iv) if Subtenant serves or permits alcohol in the Sublease Premises pursuant to the terms of this Sublease, an alcohol liability insurance policy (dram shop rider or comparable insurance) or equivalent coverage under Subtenant's general liability policy, with a limit of not less than $3,000,000.00.

With reference to the foregoing insurance, Subtenant shall specifically endorse applicable insurance policies as follows: (1) Prime Landlord, Sublandlord, Prime Landlord and Sublandlord's managing agents, if any, shall be named as an additional insureds with respect to all such policies; (2) all liability policies shall contain no cross liability exclusions or insured versus insured restrictions applicable to the claims of the Sublandlord or Prime Landlord; (3) a waiver of subrogation in favor of Sublandlord and Prime Landlord shall be contained in the Workers Compensation and all liability policies; (4) all insurance policies shall be endorsed to the effect that Sublandlord will receive at least thirty (30) days' notice prior to cancellation or non-renewal of the insurance; (5) all insurance policies, which name Sublandlord and Prime Landlord as an additional insured, must be endorsed to read as primary coverage regardless of

the application of other insurance; (6) required limits may be satisfied by any combination of primary and umbrella liability insurances; (7) Subtenant may maintain reasonable and customary deductibles (but in any event not exceeding $10,000.00), subject to approval by Sublandlord; and (8) insurance must be purchased from insurers that are financially acceptable to Sublandlord.

All insurance policies required of Subtenant shall have premiums pre-paid and terms of not less than one year.

All insurance must be written on forms filed with and approved by the Texas Department of Insurance. Certificates of Insurance, satisfactory to Sublandlord, shall be prepared and executed by the insurance company or its authorized agent, delivered to Sublandlord simultaneously with the execution of this Sublease (and updated as needed), and shall contain provisions representing and warranting the following: (1) list each insurance coverage described and required herein, and such certificates will also include a copy of the endorsements necessary to meet the requirements and instructions contained herein; and (2) shall specifically set forth the notice-of-cancellation or termination provisions to the Town of Addison.

Upon request, Subtenant shall furnish Sublandlord with complete copies of all insurance policies certified to be true and correct by the insurance carrier. Sublandlord reserves the right to review the insurance requirements contained herein and to adjust coverages and limits when deemed necessary and prudent by Sublandlord.

(b) Each Party hereby waives and releases all claims and losses for liability and damages that may arise in its favor against the other Party or the other Party's employees, agents, customers and invitees arising out of any loss, damage, or injury to the waiving Party's property occurring in, on, about, or to the Premises, or the Building, the Common Area or personal property within the Building to the extent that the waiving Party either is (a) compensated by insurance, or (b) covered by insurance (or would have been covered had such Party satisfied the insurance provisions of this Lease). The waivers and releases in this subsection (b) will apply regardless of cause, including the negligence of either Party or their respective employees, agents, customers and invitees. Each Party agrees that such insurance carried by either of them shall contain a clause whereby the insurer waives its right of subrogation against the other Party, provided such insurance is available. Because the provisions of this subsection (b) are intended to preclude the assignment of any claim mentioned herein by way of subrogation or otherwise to an insurer or any other person, each Party shall give to each insurance company which has issued to it one or more policies of fire and extended coverage insurance notice of the provisions of this subsection (b) and have such insurance policies properly endorsed, if necessary, to prevent the invalidation of such insurance by reason of the provisions of this subsection (b).

13. Damage, Destruction or Condemnation of the Sublease Premises. In the event of damage or destruction of the Sublease Premises or the taking of all or any part thereof under the power of eminent domain, this Sublease shall terminate only if the Prime Lease is terminated as a result thereof. In the event of any such occurrence, Rent payable hereunder shall abate only as long as and to the extent the rent due from Sublandlord to Prime Landlord under the Prime Lease with respect to the Sublease Premises abates as a result thereof. Subtenant shall possess no claim against Sublandlord or Prime Landlord arising out of or related to any such damage or taking, or

for any portion of the amount that may be awarded as a result. In no event shall Sublandlord or Prime Landlord be liable to Subtenant for any damages related to (a) business interruption or diminution in use of the Sublease Premises, or (b) the value of any unexpired portion of the Term.

14. Risk of Loss. All personal property, including without limitation the personalty of Subtenant and its employees, agents, contractors, or invitees placed in or about the Sublease Premises, or elsewhere on or about the Premises, shall be kept and stored at Subtenant's sole risk. **Subtenant holds Sublandlord harmless from** all claims arising out of damage to, or loss of, the same, resulting from, but not limited to (i) any act (including without limitation, theft) or omission, (ii) roof leaks, (iii) burst, ruptured, leaking, or overflowing pipes, heating or plumbing fixtures, (iv) fire or other casualty, (v) malfunction of electrical wires or fixtures, or (vi) failure of HVAC systems. Sublandlord shall not be liable for any interruption of or loss to Subtenant's business arising from any of the above-described occurrences, or any indirect or consequential damages sustained by Subtenant arising out of the loss of or damage to any such property.

15. Representations And Warranties Of Sublandlord. In connection with this Sublease, Sublandlord represents to Subtenant as follows:

(a) The execution and delivery of this Sublease by Sublandlord has been duly authorized by Sublandlord.

(b) To its actual knowledge, Sublandlord is not in default under the Prime Lease.

16. Representations And Warranties Of Subtenant. In connection with this Sublease, Subtenant represents and warrants to Sublandlord as follows:

(a) Subtenant has been afforded the opportunity to undertake a full and complete investigation, examination, and inspection of the Sublease Premises. Subtenant has determined the Sublease Premises are suitable for Subtenant's intended use, and Subtenant shall bear full responsibility and liability for compliance with Applicable Law (hereafter defined) and any special requirements in connection with Subtenant's use of the Sublease Premises.

(b) Subtenant is a *[type of entity, state of formation]*_____, duly created and established, validly existing, and in good standing, and has all requisite corporate power and authority to enter into this Sublease, and the same shall be true and correct at all times. The execution and delivery of this Sublease and the consummation of the transactions contemplated by this Sublease are duly authorized by all necessary actions of Subtenant, and upon execution by Subtenant, shall evidence an enforceable obligation of Subtenant.

17. Covenants of Subtenant.

(a) Inurement of Certain Prime Lease Provisions. Except as modified by this Sublease, all rights, obligations, and duties of Sublandlord under the Prime Lease that apply, or by their nature are intended to apply, to the Party in possession of the Sublease Premises shall inure to Subtenant. Except as modified by this Sublease, Subtenant shall assume and perform all

of the duties, covenants, agreements, and obligations of Sublandlord, in its capacity as Tenant under the Prime Lease, as and when required by the Prime Lease, as applicable to the Sublease Premises.

(b) Obligations of Prime Landlord. Subtenant shall look solely to Prime Landlord for the performance of Prime Landlord's obligations under the Prime Lease. Subtenant shall possess no claim against Sublandlord by reason of any default upon the part of the Prime Landlord.

(c) Compliance with Laws. Throughout the Term and at the sole expense of Subtenant, Subtenant shall comply with all current and future laws, constitutional provisions, charters, statutes (including, without limitation, *The Americans With Disabilities Act of 1990* (42 U.S.C., Section 1201, *et seq.)*, ordinances, codes, orders, rules, regulations, and requirements of all federal, state and municipal governments, any instrumentality thereof, judicial interpretations thereof, private restrictions recorded in the Official Public Records of Dallas County, Texas, Prime Landlord's and Sublandlord's guidelines, rules and regulations applicable to the Lease Premises, the Building, and/or the Property, and the regulations of the board of fire underwriters having jurisdiction over the Sublease Premises (collectively, "Applicable Laws").

18. **SUBTENANT'S INDEMNITY OBLIGATION**.

(a) **Subtenant agrees to and shall DEFEND, INDEMNIFY AND HOLD HARMLESS (i) the Town of Addison, Texas, and the elected officials, the officers, employees, representatives, agents, and volunteers of the Town of Addison, Texas, individually or collectively, in both their official and private capacities (collectively, the "Addison Persons" and each an "Addison Person") and (ii) Prime Landlord and Prime Landlord's lenders and each of their respective owners, officers, partners, directors, managers, employees, agents, and attorneys, (collectively "Prime Landlord Persons" and each a "Prime Landlord Person"), (each of the Addison Persons and the Prime Landlord Persons being collectively the "Sublandlord Indemnitees" and each a "Sublandlord Indemnitee"), from and against any and all claims, actions, proceedings, causes of action, demands, losses, liens, harm, damages, penalties, fines, liabilities, expenses, lawsuits, judgments, costs, and fees (including without limitation, reasonable attorney fees and court costs) of any kind and nature whatsoever made upon, incurred by, suffered by, or asserted against any Addison Person or any Prime Landlord Person or the Sublease Premises, whether directly or indirectly, (collectively for purposes of this Section, "Damages"), that result from, relate to, or arise out of, in whole or in part:**

(i) any condition of the Sublease Premises caused in whole or in part by Subtenant or by any of Subtenant's owners, directors, shareholders, partners, managers, officers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, members, invitees, guests, patrons, concessionaires, or any other person or entity for whom Subtenant is legally responsible, and their respective owners, directors, shareholders, partners, officers, managers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, members, invitees, guests, patrons, and

concessionaires, or any other person acting by or under the authority or with the permission of Subtenant, Subtenant's tenants, members, or any other person entering the Sublease Premises under express or implied invitation of Subtenant during the Term (each, including Subtenant, being a "Subtenant Person", and collectively, including Subtenant, being the "Subtenant Persons"),

(ii) any construction on or repair to the Sublease Premises, or the Sublease Premises becoming out of repair due to the fault of Subtenant or any other Subtenant Person, for any reason including by failure of equipment, pipes, or wiring, or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the Sublease Premises, regardless of the source, or by dampness or by fire, explosion, falling plaster or ceiling,

(iii) breach of any representations or warranties by Subtenant under this Sublease,

(iv) without limiting any other provision of this Section, any personal injuries (including but not limited to death) to any Subtenant Persons and any third persons or parties arising out of or in connection with this Sublease, and/or

(v) any act or omission of Subtenant or any Subtenant Person under, in connection with, or in the performance of, this Sublease.

SUCH DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SHALL AND DOES INCLUDE DAMAGES ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSON, OR ANY PRIME LANDLORD PERSON, OR BY ANY ACT OR OMISSION BY THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSON OR ANY PRIME LANDLORD PERSON THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND. However, Subtenant's liability under this clause shall be reduced by that portion of the total amount of the Damages (excluding defense fees and costs) equal to the Addison Person or Addison Persons', or Prime Landlord Person's or Prime Landlord Persons', (as the case may be), proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss. Likewise, Subtenant's liability for any Addison Person's or Addison Person's, or any Prime Landlord Person's or Prime Landlord Persons', (as the case may be),defense costs and attorneys' fees shall be reduced by that portion of the defense costs and attorneys' fees equal to the Addison Person's or Addison Persons', or Prime Landlord Person's or Prime Landlord Persons', (as the case may be), proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss.

(b) If Subtenant has a responsibility pursuant to this Section 18 which involves a claim, demand, action, or proceeding by a third party ("Third Party Claim"), Subtenant shall, following notice and consultation with the appropriate Sublandlord Indemnitee, defend against the Third Party Claim using counsel deemed acceptable to such Sublandlord Indemnitee. In the

event Subtenant has a responsibility pursuant to this Section, but does not defend the Third Party Claim, then the Sublandlord Indemnitee may defend the same and may compromise or settle the same. Subtenant shall promptly pay to Sublandlord Indemnitee upon demand the amount of all indemnifiable Damages incurred, or that otherwise would be incurred, by such Sublandlord Indemnitee in connection with the defense against, investigation of, and settlement of the Third Party Claim. If no settlement of the Third Party Claim is made, Subtenant shall also satisfy any judgment rendered with respect to the same before Sublandlord Indemnitee would otherwise be required to do so, and shall pay all indemnifiable Damages incurred by Sublandlord Indemnitee with respect thereto. The provisions of this Section 18(b) shall be deemed to supplement all other indemnities and similar covenants made hereunder by Subtenant in favor of Sublandlord Indemnitees (or any of them) and shall survive the termination of this Sublease without limitation.

(c) **Except as otherwise provided in this Sublease, and except as may be caused by the gross negligence or willful misconduct of Sublandlord or its agents, employees or contractors, Sublandlord shall not be liable under any circumstance for any injury, loss, damage to, or interference with any merchandise, equipment, fixtures, furniture, furnishings, other personal property of, or the business operations of, Subtenant or anyone in the Sublease Premises [including, without limitation, those claiming by, through or under Subtenant (such as, without limitation, those displaying, creating or storing personal property on or in the Sublease Premises)] occasioned by (i) the act or omission of persons occupying other premises; (ii) any defect, latent or otherwise, in any building, equipment, machinery, utilities, or apparatus; (iii) any breakage or leakage of the roof, walls, floor, pipes or equipment; (iv) any backing up, seepage or overflow of water or sewerage; or (v) flood, rain, snowfall or other element or act of God.**

(d) Subtenant shall promptly advise Sublandlord and Prime Landlord in writing of any claim or demand against the Town of Addison, Texas, any Addison Person, Prime Landlord Person, or Subtenant or any Subtenant Person related to or arising out of Subtenant's activities under this Sublease and shall see to the investigation and defense of such claim or demand at Subtenant's sole expense. The Addison Persons and Prime Landlord Persons, as the case may be, shall have the right, at the Addison Persons' or Prime Landlord Persons' (as the case may be) option and at their own expense, to participate in such defense without relieving Subtenant of any of its obligations hereunder.

(e) The obligation of this indemnity and hold harmless Section, and any other indemnity, hold harmless, and/or defense provision in this Sublease, shall survive the expiration or termination of this Sublease.

19. Notices. All notices and other communications to be given under this Sublease shall be in writing and shall be deemed given, provided, or delivered (a) if personally delivered, on the actual date of delivery on the Party to whom notice is to be given, (b) if sent by a nationally recognized overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (c) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the third business day following the date

of mailing. Addresses for giving, providing, or delivering any such notice or other communications are as follows:

If to Sublandlord:	If to Subtenant:
Town of Addison, Texas 5300 Belt Line Road Dallas, Texas 75254 Attn: City Manager	The Dallas Entrepreneur Center _____ _____ Attn:_____

If to Prime Landlord:

14671-14683 Midway Road LP
c/o Franks Real Estate, Inc.
8100 Lomo Alto, Suite 235
Dallas, Texas 75225

Such addresses may be changed to another address within Texas by giving notice of such change in accordance with this provision, and addressees may changed by a similar notice.

20. Effect of Prime Lease Termination. This Sublease is conditioned upon the continued existence of the Prime Lease. This Sublease shall automatically terminate upon the termination, cancellation, or expiration of the Prime Lease.

21. No Waiver. No provision of this Sublease shall be deemed to have been waived unless such waiver is evidenced by a writing signed by the Party charged with such waiver. A waiver by Sublandlord of any default, breach, or failure of Subtenant under this Sublease shall not be construed as a waiver of any subsequent or different default, breach, or failure.

Notwithstanding any other provision of this Lease, nothing in this Lease shall or may be deemed to be, or shall or may be construed to be, a waiver or relinquishment of any immunity, defense, or tort limitation to which Sublandlord, its officials, officers, employees, representatives, and agents are or may be entitled, including, without limitation, any waiver of immunity to suit.

22. Surrender. Upon the expiration or earlier termination of this Sublease, Subtenant shall vacate and deliver the Sublease Premises to Sublandlord in the same condition as of the Commencement Date, ordinary wear and tear excepted, provided that Subtenant shall repair all damage to the Sublease Premises as a result of the removal of its personal property and any improvements or alterations required to be removed pursuant to this Sublease. In the event Subtenant fails to comply with the foregoing removal obligations or upon Subtenant being dispossessed by process of law or otherwise, all such property shall be deemed conclusively to be abandoned and Sublandlord may retain, sell, store, destroy or otherwise dispose of the same as Sublandlord so elects in its sole discretion upon prior written notice to Subtenant. Subtenant shall pay Sublandlord on demand all out-of-pocket expenses incurred by Sublandlord in the removal of such property, including, without limitation, the cost of repairing damage to the

Sublease Premises caused by the removal of such property and storage charges (if Sublandlord elects to store such property). Further, in the event the end of the Term coincides with the end of the term under the Prime Lease, Subtenant shall provide Sublandlord with reasonable access to the Sublease Premises to allow Sublandlord to fulfill its obligations under the Prime Lease, including, without limitation, removing any improvements or alterations existing in the Sublease Premises prior to the Commencement Date, and Subtenant shall otherwise reasonably cooperate with Sublandlord in connection with the foregoing. Subtenant's obligations under this Section 22 shall survive the expiration or earlier termination of this Sublease.

23. Holding Over. If Subtenant or anyone claiming under or through Subtenant holds over following the expiration or earlier termination of the Term without the express written consent of Sublandlord, Subtenant shall become a tenant at sufferance only, subject to all of the provisions of this Sublease and the Prime Lease, at a rate equal to the greater of (a) 150% times the Base Rent then in effect pursuant to this Sublease; or (b) 150% times the rental rate per square foot in effect under the Prime Lease upon the date of such expiration. Subtenant shall additionally pay any amount payable, and shall be liable for all loss, damage (including without limitation consequential damages), costs, expenses, and other harm incurred by Sublandlord or otherwise as a result of such holdover, including without limitation any holdover cost or penalty assessed by Prime Landlord in connection with the Sublease Premises. Acceptance by Sublandlord of Rent after such termination shall not constitute a consent to a holdover hereunder or result in a renewal of this Sublease. The foregoing' provisions of this paragraph are in addition to and do not affect Sublandlord's right of reentry or any other right or remedy of Sublandlord hereunder or at law, in equity or otherwise.

24. Successors and Assigns. All of the terms, covenants, provisions, and conditions of this Sublease shall be binding upon and inure to the benefit of the successors and assigns of Sublandlord, and the permitted successors and permitted assigns of Subtenant. Except as and to the extent set forth in this Lease, this Lease and all of its provisions are solely for the benefit of the Parties hereto and do not and are not intended to create or grant any rights, contractual or otherwise, to any third person or entity.

25. No Joint Venture. This Sublease does not and shall not create the relationship of principal and agent, partnership, joint venture, joint enterprise, or any other association between Sublandlord and Subtenant, except that of Sublandlord and Subtenant.

26. Brokerage. Each Party represents no real estate broker or agent is involved in this Sublease, and each shall indemnify and hold the other harmless from all damages caused by the breach of this representation.

26A. Unavoidable Delays. If either Sublandlord or Subtenant is delayed in performing any obligation hereunder by any cause beyond the reasonable control of the party required to perform such obligation, the time period for performing such obligation shall be extended by a period of time equal to the period of the delay. For the purpose of this Section:

(i) A cause shall be beyond the reasonable control of a party when such cause would affect any person similarly situated (such as, but not limited to, war, civil disorder,

catastrophic weather, a power outage, labor strike or truckers' strike) but shall not be beyond the reasonable control of such party when reasonably foreseeable or peculiar to such party (such as, but not limited to, financial inability or ordering materials requiring a long lead time).

(ii) This Section shall not excuse any rental obligations.

(iii) No problem relating to computer systems shall be considered an event of Force Majeure.

27. Severability. In the event any part of this Sublease is held to be unenforceable or invalid, for any reason, the balance of this Sublease shall not be affected and shall remain in full force and effect during the Term of this Sublease. In lieu of any such unenforceable or invalid provision, the Parties agree to negotiate and add hereto a provision as similar in its terms to such unenforceable or invalid provision as may be possible and be enforceable and valid.

28. Memorandum of Record. Neither this Sublease nor a Memorandum or short-form version of this Sublease shall be recorded. Subtenant's recordation of same shall constitute a default in this Sublease.

29. Choice of Law; Venue. This Sublease and all transactions contemplated by this Sublease shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas, without giving effect to the principles of conflicts of laws of any jurisdiction. Exclusive venue for any action or proceeding under this Sublease shall lie in Dallas County, Texas.

30. **Certain Statutory Rights, Waiver of Jury Trial, and Right to Counterclaim. EACH OF SUBLANDLORD AND SUBTENANT HEREBY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY SUMMARY OR OTHER ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS SUBLEASE, THE RELATIONSHIP OF SUBLANDLORD AND SUBTENANT, THE SUBLEASE PREMISES, THE USE AND OCCUPANCY THEREOF, OR ANY CLAIM OF INJURY OR DAMAGES. SUBTENANT ADDITIONALLY HEREBY WAIVES ALL RIGHT TO ASSERT OR INTERPOSE A COUNTERCLAIM OR SET-OFF (OTHER THAN A COMPULSORY COUNTERCLAIM) IN ANY PROCEEDING OR ACTION BY SUBLANDLORD BASED ON NON-PAYMENT OF RENT, EVEN IF SUCH COUNTERCLAIM OR SET-OFF IS BASED ON SUBLANDLORD'S ALLEGED BREACH OF A DUTY TO REPAIR OR ALLEGED BREACH OF QUIET ENJOYMENT, OR ANY OTHER ALLEGATION.**

31. Counterparts. This Sublease may be executed in any number of counterparts and by different parties in separate counterparts, each of which, when so executed and delivered, shall be deemed an original and all of which when taken together shall constitute but one and the same instrument. To facilitate execution, facsimile signatures shall be considered binding on the Parties, provided originals thereof are executed, delivered, and received promptly thereafter. Notwithstanding the foregoing, non-receipt of any original counterpart shall not affect the

validity or enforceability of this Sublease, which shall attach upon receipt of a facsimile counterpart, as provided hereunder.

The person executing this Sublease on behalf of Subtenant is an authorized representative of Subtenant and has been authorized by Subtenant to execute this Sublease. The person executing this Sublease on behalf of Sublandlord is an authorized representative of Sublandlord and has been authorized by Sublandlord to execute this Sublease.

32. Exhibits and Schedules. All Exhibits and Schedules referred to herein are intended to be and hereby are specifically made a part of this Sublease.

33. Entire Agreement. This Sublease, including any exhibits or schedules hereto, contains the entire understanding among the Parties and supersedes any prior understanding or agreement between them respecting the within subject matter. There are no representations, warranties, agreements, arrangements, or understandings, oral or written, between or among the Parties relating to the subject matter of this Sublease which are not fully expressed herein.

34. Effectiveness. This Sublease shall not be effective unless and until it has been signed by Sublandlord and Subtenant on or before June 1, 2014.

35. Sublandlord's Right of Termination. Notwithstanding anything in this Sublease stated or implied to the contrary, Sublandlord's obligations as stated in this Sublease are subject to Sublandlord's annual budgeting and appropriation requirements. Sublandlord has and retains the continuing right to terminate this Sublease each year; exercise of such right of termination shall be by written notice given to Subtenant on or before June 30 of any calendar year during the Term, and such termination shall be effective on the September 30 of such calendar year. In the event Sublandlord exercises such option, Subtenant shall entirely vacate the Sublease Premises in accordance with the previous sentence and thereafter, neither Party shall have any further liability after the effective date of the termination.

36. Estoppel. Subtenant shall execute and deliver to Sublandlord within 10 days after Subtenant's receipt of request, such estoppel certificates as Sublandlord or Prime Landlord shall request, therein certifying to the base terms of this Sublease and providing that Sublandlord has not committed an uncured event of default in its performance of this Sublease, or otherwise stating the nature of the default with specificity.

37. Financial Statements; Books and Records. Subtenant shall deliver to Sublandlord, within 10 days after Subtenant's receipt of request, such financial statements, balance sheets, income statements, tax returns, financial projections and other data reasonably required by Prime Landlord pursuant to the Prime Lease, relating to the financial condition of Subtenant.

In connection with this Lease, Subtenant shall at all times keep and maintain books, data, and records, in accordance with generally accepted accounting principles, regarding the Business Start-Up Fees, including the amounts collected and expended. Sublandlord shall retain such books, data, and records for at least 24 months after the end of each calendar year (or partial calendar year, if the first or last calendar year of this Lease is a partial calendar year) to which

the books, data and records relate. During that period of time, such books, data, and records are subject to inspection and audit by Sublandlord upon Sublandlord giving written notice of Sublandlord's intent to inspect and audit the same. Within 10 days after Subtenant's receipt of such notice, Subtenant shall make all of such books, data, and records available to Sublandlord at the Leased Premises. The provisions of this paragraph shall survive the termination or expiration of this Lease.

38. Waiver of Subtenant's Lien. Subtenant waives its right to assert a lien against Sublandlord, Prime Landlord, Prime Landlord's property, and Sublandlord's property pursuant to Tex. Prop. Code § 91.004.

39. Texas Department of Licensing and Regulation Inspections. Subtenant acknowledges that the Texas Department of Licensing and Regulation (the "Department") requires, upon submitting a building permit application to the local municipality, that an inspection be conducted by the Department to ensure that the Sublease Premises complies with the Americans With Disabilities Act (the "ADA") and the regulations promulgated thereunder, and to the extent the Sublease Premises do not comply, that it will be brought into compliance. In the event that Subtenant, whether at the beginning of the Term, or at any time during the Term, desires to perform work which requires the submittal of a building permit application to the local municipality, then Subtenant shall provide Sublandlord with a copy of the inspection application form submitted to the Department along with a copy of the check showing Subtenant has paid the required inspection fee, as well as a copy of the final Notice of Substantial Compliance Certificate, and failure to do so shall constitute a default under the Sublease. Furthermore, if the Department's inspection requires modifications to be made to the Sublease Premises so as to comply with the ADA, then (a) if and to the extent that the modifications are required in order to comply with requirements of the ADA that were effective as of the Sublease Commencement Date, Sublandlord shall be responsible to perform such necessary modifications, and (b) if and to the extent that the modifications are required in order to comply with requirements of the ADA that became effective on or after the Sublease Commencement Date, Subtenant shall be responsible to perform all such necessary modifications. Subtenant shall defend, indemnify and hold Sublandlord harmless from all loss, costs, actions, damages or claims which Sublandlord may be subject to as a result of Subtenant failing to timely comply with the provisions of this Section.

40. Texas Property Tax Code. Section 41.413 of the Texas Property Tax Code ("Section 41.413") may give Subtenant the right to protest the appraised value of the Sublease Premises (a "Protest") if Sublandlord does not Protest. If Subtenant Protests, the appraisal review board might increase the appraised value of the entire Sublease Premises, which will negatively affect Sublandlord. Accordingly, to the extent permitted by Applicable Law, Subtenant waives its rights to Protest under Section 41.413. Method By Which Charge is Computed.

41. Texas Property Code. Subtenant agrees that all terms of this Sublease for determining charges and amounts of Rent are commercially reasonable and that each such charge or amount constitutes a "method by which the charge is to be computed" for purposes of Section 93.012 of the Texas Property Code.

42. Miscellaneous. Section and subsection headings are for convenience only and shall not be used in interpretation of this Agreement. The words "includes" and "including" are terms of enlargement and not of limitation or exclusive enumeration, and use of the terms does not create a presumption that components not expressed are excluded.

43. Waiver of Rights under Texas Deceptive Trade Practices Act. Subtenant represents and warrants that (i) Subtenant has been afforded the opportunity to be represented by legal counsel in connection with the transactions contemplated by this Sublease and (ii) the Sublease Premise that is the subject of this Lease is not a family residence occupied or to be occupied as Subtenant's residence. Sublandlord is relying on these representations and warranties to establish the inapplicability of the Texas Business And Commerce Code, Section 17.41 *et seq*. to this Sublease.

44. OFAC Compliance.

(a) Subtenant represents and warrants that (a) Subtenant and each person or entity owning an interest in Subtenant is (i) not currently identified on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation (collectively, the "List"), and (ii) not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States, (b) none of the funds or other assets of Subtenant constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person (as hereinafter defined), (c) no Embargoed Person has any interest of any nature whatsoever in Subtenant (whether directly or indirectly), (d) none of the funds of Subtenant have been derived from any unlawful activity with the result that the investment in Subtenant is prohibited by law or that the Sublease is in violation of law, and (e) Subtenant has implemented procedures, and will consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times. The term "Embargoed Person" means any person, entity or government subject to trade restrictions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder with the result that the investment in Subtenant is prohibited by law or Subtenant is in violation of law.

(b) Subtenant covenants and agrees (a) to comply with all requirements of law relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect, (b) to immediately notify Sublandlord in writing if any of the representations, warranties or covenants set forth in this paragraph or the preceding paragraph are no longer true or have been breached or if Subtenant has a reasonable basis to believe that they may no longer be true or have been breached, (c) not to use funds from any "Prohibited Person" (as such term is defined in the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) to make any payment due to Sublandlord under the Lease and (d) at the request of Sublandlord, to provide such information as may be requested by Sublandlord to determine Subtenant's compliance with the terms hereof.

(c) Subtenant acknowledges and agrees that Subtenant's inclusion on the List at any time during the Term shall be a material default of the Sublease. Notwithstanding anything herein to the contrary, Subtenant shall not permit the Sublease Premise or any portion thereof to be used or occupied by any person or entity on the List or by any Embargoed Person (on a permanent, temporary or transient basis), and any such use or occupancy of the Sublease Premise by any such person or entity shall be a material default of this Sublease.

45. Substitute Premises. Under the Prime Lease, Prime Landlord has the right to relocate Sublandlord one time from the entire Premises (the "Present Premises") into another single (contiguous) location in the Shopping Center (the "New Premises") comparable in size and functionality to the Premises as provided in the Prime Lease ("Relocation Right"). Accordingly, if Prime Landlord exercises such Relocation Right, the Sublease Premises (the "Present Sublease Premises") shall be relocated to a new location within the Shopping Center ("New Sublease Premises") as provided in the Prime Lease. As set forth in the Prime Lease, the costs and expenses associated with such Relocation Right are to be paid by the Prime Landlord, and Sublandlord shall have no responsibility or obligation to pay for any costs or expenses incurred by Subtenant in connection with such relocation. Subtenant shall cooperate with Sublandlord with such relocation.

If Prime Landlord exercises its Relocation Right, Sublandlord shall give Subtenant at least 90 days notice of the approximate date Subtenant is to move to the New Sublease Premises. Subtenant will move its business operations to the New Sublease Premises promptly after Sublandlord notifies Subtenant of the substantial completion of the preparation of the New Sublease Premises and a certificate of occupancy for the New Sublease Premises has been issued by the Town of Addison. The New Sublease Premises will then become the Sublease Premises (instead of the Present Sublease Premises) and the Rent (including, without limitation, all of Subtenant's other monetary obligations payable to Sublandlord under this Sublease) and all the other terms and provisions of this Sublease shall be transferred and continue to apply, without interruption, to the New Sublease Premises from and after the date Subtenant is required to move pursuant to this Section; *provided, however*, that Subtenant shall receive two months free Base Rent in connection with such relocation, commencing with the first full month following Subtenant's relocation to the New Sublease Premises. If Prime Landlord exercises its Relocation Right, it is anticipated that the square footage of the New Sublease Premises will not be materially smaller than the Present Sublease Premises, but if the square footage of the New Sublease Premises is less than the Present Sublease Premises, Base Rent shall be reduced proportionately. If the square footage of the New Sublease Premises is more than the Present Sublease Premises, Base Rent shall not be increased.

[*The Remainder of this Page Intentionally Left Blank.*]

Signature Page To Sublease

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Sublease Effective Date in Dallas County, Texas.

SUBLANDLORD:

TOWN OF ADDISON,
an incorporated Texas municipality

By: _____
Lea Dunn, City Manager

SUBTENANT:

THE DALLAS ENTREPRENEUR CENTER

By: _____

Combined Meeting **R7**

Meeting Date: 06/10/2014

Council Goals: Create raving fans of the Addison Experience.

AGENDA CAPTION:

Discussion, consider and take action regarding sponsorship of Addison residents and/or employees for the 26th class of Leadership Metrocrest.

FINANCIAL IMPACT:

Funds are available in the Fiscal Year 2014 General Fund. Fiscal Year 2013 costs totaled $2,950.

BACKGROUND:

Two years ago, the City Council approved a scholarship "matrix" for determining the sponsorship level of Addison Residents to the Leadership Metrocrest program. The main idea was that the funding level increased based on several variables, including level of community involvement and length of residency.

Last year's class consisted of Ilene Cohen, Kathy Perkins, Nino Torres, and Shanna Nugent, with Fire Chief John O'Neal also attending as a sponsored Town employee.

A copy of the scholarship matrix from last year is attached for reference purposes, and a listing of all Addison applicants will be made available to Council at the meeting. Historically, some Addison staff members have participated in this program; this year, Ben Magill (Economic Development) and Chelsea Gonzalez (City Manager's Office) have been nominated.

Applications are due to the Chamber by June 6. A report will be brought forward to Council at the June 10 Council meeting identifying any Addison residents who have applied. Applicant notification does not occur until July 18, leaving several weeks for Council to review and adjust the matrix as necessary.

RECOMMENDATION:

Attachments

Leadership Metrocrest Application

Leadership Metrocrest Calendar

2013 Leadership Metrocrest Sponsorships

LEADERSHIP
METROCREST

CLASS XXVIAPPLICATION FOR ENROLLMENT

Date of Application _____

Full Name _____

Company _____ Title _____

Position/Responsibilities _____

Company Address _____

City/St/Zip _____Phone _____

E-Mail _____Fax _____

Home Address _____

City/State/Zip _____ Phone _____

E-Mail _____ Cell _____

Birthday (mm/dd)_____ ☐ Male ☐ Female

Contact preference ☐ Home ☐ Work

Do you have full support of your employer for the time required to participate in this program?
☐ YES ☐ NO

The tuition for the program is $1,000 for Chamber members (or individuals sponsored by Chamber members), and $1,200 for non-members. Is your employer paying the tuition?
☐ YES ☐ NO

What specific leadership competencies do you hope to enhance through your participation in Leadership Metrocrest?

_____

_____

ALL APPLICATIONS DUE BY JUNE 6, 2014. APPLICANTS WILL BE NOTIFIED BY JULY 18, 2014 ON ACCEPTANCE TO LEADERSHIP METROCREST CLASS XXVI.
PLEASE INCLUDE RESUMÉ& BIO.

It is my understanding the Leadership Metrocrest program is to be a learning experience and requires attendance at the monthly meetings. I also understand that I will be automatically dropped from the program if I miss more than 16 hours from the remaining class.

_____ _____
Name Date

Return to: Metrocrest Chamber of Commerce 5100 Belt Line Rd. #430 Addison, TX 75254
Fax: 469-587-0428 Email info@metrocrestchamber.com

LEADERSHIP
METROCREST

Community.
Friendship.
Leadership.

CLASS XXVI - September 2014

Leadership Metrocrest is a program of the Metrocrest Chamber of Commerce which identifies, educates, and motivates future community leaders. The goal is to provide an extensive knowledge base of understanding and communication links that allow graduates to take leadership roles in Metrocrest civic, business and non-profit organizations.

Leadership Metrocrest offers...

- Participants an increased knowledge, understanding and sensitivity to community issues.
- Businesses an increased insight into the community and access to community leaders and resources.
- The community a pool of well-trained and energized leaders ready to serve.

Leadership Metrocrest is a nine month course where participants meet one day per month to study the various aspects of the Metrocrest's inner workings.

There are many ways to support Leadership Metrocrest. From attending the class to sponsoring sessions and the Graduate lunch, you can help this program and your Chamber, our chamber, The Metrocrest Chamber of Commerce.

Interested in...
...Learning more about your community?
...Building lifetime friendships?
...Being equipped to be the best leader possible?

Call 469-587-0420 or e-mail info@metrocrestchamber.com for more information on our next Leadership Metrocrest class.

LEADERSHIP
METROCREST

Metrocrest Chamber of Commerce 5100 Belt Line #430 Addison, TX 75254
469-587-0420 www.metrocrestchamber.com

Leadership Metrocrest Class XXVI
Basic Calendar

Session		Date
Ropes Course	Friday	September 5, 2014
Leadership Skills (1/2 day)	Saturday	September 6, 2014
Regionalism	Friday	October 3, 2014
Local Government	Friday	November 7, 2014
Education	Friday	December 5, 2014
Culture and Diversity	Friday	January 9, 2015
Health and Human Services	Friday	February 6, 2015
Eco. Development/Business Excellen	Friday	March 6, 2015
Criminal Justice	Friday	April 3, 2015
SIMSOC	Thursday	April 16, 2015
Graduation	Wednesday	May 27, 2015

This Calendar is FINAL

1. Most classes will run from 8:00-4:00
2. Attending Sept. 6 and 7 is mandatory
3. A participant may not miss more than two full days (16 hours)

WE'RE GLAD YOU'RE HERE

Town of Addison's Scholarship Matrix for Residents Participating in Leadership Metrocrest

Addison Board or Organization	Percentage of Scholarship Offered	Leadership Metrocrest Fee	ToA's Contribution
Council Member or P&Z Member	100%	$1,000	$1,000
Citizen Academy Graduate	80%	$1,000	$800
Volunteer for Arbor Foundation, Addison Addvocates, Water Tower Theatre	70%	$1,000	$700
Addison Residency greater than 5 years	50%	$1,000	$500
Addison Residency 4 years or less	25%	$1,000	$250

The scholarship received will be at the highest level that a resident qualifies.

Town of Addison Scholarship Contribution – Class XXV

Applicant	Highest Qualification Level	Percentage of Scholarship Offered	Leadership Metrocrest Fee	TOA Contribution
Ilene Cohen	Addison Resident 4 years or Less	25%	$1,000	$250
Kathy Perkins	Addison Resident 5 years or more	50%	$1,000	$500
Nino Torres	Volunteer for Addison Addvocates	70%	$1,000	$700
Shanna Nugent	Addison Resident 5 years or more	50%	$1,000	$500
TOTAL ADDISON CONTRIBUTION				**$1,950**

Combined Meeting **R8**

Meeting Date: 06/10/2014

Council Goals: Identify opportunities for improved governance

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AGENDA CAPTION:

Discussion, consider and take action regarding City Council attendance policy.

FINANCIAL IMPACT:

N/A

BACKGROUND:

While there is not a specific and separate section within the City Code or the City Charter outlining a formal attendance policy, Section 2.03 of the Charter references that a member of the Council may be removed from office if he or she "fails to attend four (4) consecutive regular meetings of the Council without first being excused by the Council."

By way of clarification, the Code of Ordinances defines "regular" meetings in Section 2-46 as meetings held "on the second and fourth Tuesday of each month commencing at 7:30 pm."

RECOMMENDATION:

Combined Meeting **R9**

Meeting Date: 06/10/2014

Council Goals: Create raving fans of the Addison Experience.

AGENDA CAPTION:

Discussion regarding Addison's recognition and naming policy for town parks, trails, or facilities.

FINANCIAL IMPACT:

N/A

BACKGROUND:

The current naming policy, established via Resolution R07-019 on September 25, 2007, is attached to this document for discussion purposes.

RECOMMENDATION:

Attachments

Addison Naming Policy

TOWN OF ADDISON, TEXAS
RESOLUTION N0. R07-019

A RESOLUTION BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, PROPOSING GUIDELINES AND POLICIES FOR THE NAMING OF PARKS, TRAILS AND FACILITIES.

WHEREAS, when naming a park, trail, or facility after a person, at least one of the following stipulations should be met:

a) The person has donated the land to be used, has provided significant contributions to acquire the land, or has sold the land to the Town at a price significantly below market value.

b) The person has provided significant contributions to the cost of construction of the park, trail or facility, or has provided construction services at a price significantly below market value.

c) The person has made significant and consistent long-term contributions to the Town of Addison.

d) The person shall not have been an employee or councilmember/Mayor of the Town of Addison for at least five years.

WHEREAS, when appropriate, parks, trails, and facilities can be named after predominant geographical or physical features of the land. These may include natural features (rivers, trees, etc.) or man-made features (subdivisions, buildings, etc).

WHEREAS, parks and trails may be named after historical events that are specific to the Town of Addison.

WHEREAS, the Council will consider re-naming existing facilities. However, the motion to rename an existing park, trail, or facility must be approved by a 3/4th vote of the entire Council (e.g., if all members of the Council are eligible to vote, approval would require 6 out of 7 votes).

WHEREAS, different sections of parks and facilities may carry names that differ from that of the overall park or facility. This may include the naming of individual items in a park or facility (such as a meeting room). However, the above guidelines shall still apply in choosing a name.

WHEREAS, any citizen, group of citizens, entity or organization may submit a proposal to name a facility after an individual, group of individuals, or community organization to honor and recognize significant contributions to the community through public service, community volunteerism or outstanding achievement. The contributions of the individuals or group must be well-documented and broadly acknowledged within the community. If possible, written permission and agreement must be obtained from the individual, group or organization who or which is being commemorated.

WHEREAS, the guidelines listed above are guidelines only. Meeting any or all of the above guidelines does not guarantee that a park or facility will carry any certain name. Ultimately, all naming decisions are to be made by the Addison City Council, which may make exceptions to these guidelines when it deems appropriate.

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

THAT, the City Council does hereby authorize the Proposed Guidelines and Policies for the naming of Parks, Trails and Facilities.

DULY PASSED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS this the 25th day of September, 2007.

Joe Chow, Mayor

ATTEST:

Mario Canizares, City Secretary

APPROVED AS TO FORM;

John Hill, City Attorney

Combined Meeting **R10**

Meeting Date: 06/10/2014

Council Goals: Infrastructure improvement and maintenance
Implement bond propositions

AGENDA CAPTION:

Discussion, consider and take action regarding proceeding with the Belt Line Road utility undergrounding project.

FINANCIAL IMPACT:

The funds for Phase I are available in bond funds.

BACKGROUND:

In 2012, Addison voters approved a bond package that included the funds to move the utilities on Belt Line underground. The total amount of bond funds available for the undergrounding project from Marsh Lane to the Dallas North Tollway is $20 million. Now that the cost of construction is known and other costs are being finalized, the available funds will not be sufficient to finish the project from Marsh to the Tollway. There are, however, sufficient funds to complete the project from Marsh to Midway depending on whether there are any necessary change orders on the project. The bid amount for the civil construction on Phase I is $8,820,802. The total cost including the civil costs, land acquisition, costs to relocate the electric and telecommunication lines, design, construction management and inspection services, and a 4% contingency is estimated to be $18,291,802.

Staff will review the costs as they are known today with council and seek direction as whether to proceed with the project. We expect that Phase II costs will be known in the fall of 2014. At that point we will brief council and seek direction on that portion of the roadway.

RECOMMENDATION:

Administration recommends approval.

Combined Meeting **R11**

Meeting Date: 06/10/2014

Council Goals: Infrastructure improvement and maintenance

AGENDA CAPTION:

Presentation and discussion regarding a development proposed by AMLI Residential on Quorum Road at Edwin Lewis Drive that includes necessary sanitary sewer capacity improvements and electric service line relocation.

FINANCIAL IMPACT:

N/A

BACKGROUND:

AMLI Residential is considering a multi-family development on Quorum at Edwin Lewis that will house 353 apartment units and associated retail space on the 4.9 acre site. In the process of working with the developer, discussions were held concerning the interface that this development has with the Town's connectivity project and how the development could provide a much needed connection between Spectrum and Quorum Drives along the south side of the property. The developer is willing to accommodate the connection using their property.

There were also discussions about the proximity of the overheard electric and telecommunication lines on the west side of the project that severely hinder the ability to fully comply with the landscaping requirements and to provide a more walkable sidewalk and attractive streetscape. Before any decisions can be made as to whether undergrounding the utilities is feasible, a clear scope of work and costs needs to be determined.

Before the project can be recommended at the staff level, there are several sanitary sewer upgrades that will be needed to accommodate the expected flows from the apartment development. The developer understands and has agreed that he will be responsible for a percentage of the cost of the upgrades.

In order to move the discussion along, we need to make sure that this is a project that the council supports and wants staff to continue to develop. Staff proposes to engage an engineering firm to conduct preliminary engineering on the undergrounding of the electric service to determine the costs of that project. Depending on that cost, the City Council can then direct staff to begin final design and bid the project.

In order to facilitate this or any future development in this area, upgrades will need

to be made to the sanitary sewer system. With council's direction, we will engage Cobb Fendley Engineers who are already under contract with the Town to provide engineering services to complete the design of the upgraded system and determine the final cost share between the developer and the Town.

Staff will brief the City Council at the meeting.

RECOMMENDATION:

Administration recommends approval.

Combined Meeting **R12**

Meeting Date: 06/10/2014

Council Goals: Infrastructure improvement and maintenance

AGENDA CAPTION:

Presentation, discussion, consider and take action approving and authorizing the City Manager to execute a contract with Halff Engineers for preliminary design services related to the possible undergrounding of electric and telecommunication lines along Quorum Road between Belt Line Road and the DART rail right-of-way for an amount not to exceed $79,000.

FINANCIAL IMPACT:

Funds are available in the Utility Fund.

BACKGROUND:

AMLI Residential is considering a multi-family development on Quorum at Edwin Lewis that will house 353 apartment units and associated retail space on the 4.9 acre site.

There are currently electric and telecommunication lines that run on the eastside of Quorum from Belt Line Road to the DART right-of-way. The undergrounding of these lines would help enhance Quorum Road as the gateway into the Addison Circle area. It would also improve the walkability of the street once the electric poles were removed. The proximity of the overheard electric and telecommunication lines on the west side of the proposed multi-family project site hinders the ability to fully comply with the landscaping requirements and to provide a more attractive streetscape. Before any decisions can be made as to whether undergrounding the utilities is feasible, a clear scope of work and costs needs to be determined. Depending on that cost, Council can then direct staff to begin final design and bid the project.

Halff Engineers has submitted a proposal for preliminary design services that includes engineering services, surveying and easement acquisition services, and geotechnical and subsurface utility exploration services for an amount not to exceed $79,000.

RECOMMENDATION:

Administration recommends approval.

Combined Meeting **R13**

Meeting Date: 06/10/2014

Council Goals: Infrastructure improvement and maintenance

AGENDA CAPTION:

Presentation and discussion concerning the Sanitary Sewer System Evaluation vapor testing component.

FINANCIAL IMPACT:

N/A

BACKGROUND:

As part of the Town's overall goal to continue to improve and maintain the current infrastructure, the City Council approved a contract with LNV, Inc., to conduct an assessment and evaluation of the sanitary sewer system in order to determine its current condition and to assess the need for improvements to accommodate future growth. The contract is split into four phases in three years. We are currently in the second phase of the study. Phase I focused primarily on known trouble spots and Phase II is focused on specific wastewater basins.

One goal of this phase is to identify the areas where there are deficiencies in the lines. The best and most thorough way to do that is to conduct vapor testing. The results of the vapor test will show us which areas need to be examined closer using CCTV technology. Since the CCTV is four times more expensive than vapor testing, this will allow us to more efficiently apply the resources where needed.

In order to perform the vapor testing, a non-toxic chemical is added to the sanitary sewer line at strategic locations that then vaporizes and turns into a white vapor. The engineers and surveyors are then able to follow this white vapor and find various deficiencies throughout the wastewater system.

The staff presentation will discuss this procedure in more detail during the City Council meeting.

RECOMMENDATION:

Combined Meeting **R14**

Meeting Date: 06/10/2014

Council Goals: N/A

AGENDA CAPTION:

Presentation, discussion, consider and take action approving and authorizing the execution by the City Manager of an easement granting to Oncor Electric Delivery Company LLC an easement and right-of-way for electrical supply and communication facilities in Addison right-of-way on the south side of Morris Avenue at Addison Road to facilitate improvements related to increased service reliability.

FINANCIAL IMPACT:

There is no financial impact.

BACKGROUND:

As part of an overall program to improve the reliability of electric delivery service in Addison, Oncor, is taking several steps to identify problem areas, and initiate both short-term and long-term improvements. Oncor has recently undertaken and completed infrared thermo-imaging of approximately 5000 of their electric facilities such as lines, connections, and transformers. Forty elements were found that needed to be addressed in some manner. Those have been addressed. Work continues on the next steps that will include more intensive underground line inspections.

One of the immediate projects that Oncor proposes to carry out, involves the installation of a switch gear on Morris Avenue just east of Addison Road. Two of the feeders that serve the Addison area from Farmers Branch Gillis Substation have had several outages. Farmers Branch Gillis Substation has almost reached its load capacity, as have the two feeders. To correct this problem, Oncor is establishing a new feeder from Knoll Trail Substation and transferring some of that load from the Gillis Road Sub to the Knoll Trail Substation. This will relieve loading on the existing substation and feeders. The switchgear will be used to switch loads between the service feeders, thereby allowing electric service loads to be switched from one feed to the other as needed to increase reliability in the Addison area. Oncor will be connecting the switchgear to an existing manhole that is adjacent to that location.

As part of this project, Oncor will remove one pole on the south side of Morris just west of the proposed easement location.

RECOMMENDATION:
Administration recommends approval.

Attachments

Morris Ave Easement

District:
WR #: 3209664
ER #:

EASEMENT AND RIGHT OF WAY

STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF DALLAS §

That the TOWN OF ADDISON, hereinafter called "Grantor", whether one or more, for and in consideration of Ten Dollars ($10.00) and other valuable consideration to Grantor in hand paid by **Oncor Electric Delivery Company LLC**, a Delaware limited liability company, 1616 Woodall Rodgers Freeway, Dallas, Texas 75202-1234, hereinafter referred to as "Grantee", has granted, sold and conveyed and by these presents does grant, sell and convey unto said Grantee, its successors and assigns, an easement and right-of-way for overhead and/or underground electric supply and communications facilities, consisting of a variable number of wires and cables, supporting structures, surface mounted equipment, conduits and all necessary or desirable appurtenances over, under, through, across and upon Grantor's land described as follows:

SEE EXHIBIT "A" (ATTACHED)

Grantor recognizes that the general course of said lines, or the metes and bounds as described above, is based on preliminary surveys only, and Grantor hereby agrees that the easement and right-of-way and its general dimensions hereby granted shall apply to the actual location of said lines when constructed.

Together with the right of ingress and egress along and upon said easement and right-of-way and over and across Grantor's adjoining properties for the purpose of and with the right to construct, maintain, operate, repair, remove, replace, reconstruct, abandon in place, and to change the size and capacity of said facilities; the right to relocate said facilities in the same relative direction of said facilities; the right to relocate said facilities in the same relative position to any adjacent road if and as such is widened in the future; the right to lease wire space for the purpose of permitting others to string or lay wire or cable along said facilities; the right to prevent excavation within the easement area; the right to prevent construction of, within the easement area, any and all buildings, structures or other obstructions which, in the sole judgment of Grantee, may endanger or interfere with the efficiency, safety, and/or convenient operation of said facilities and their appurtenances and the right to trim or remove trees or shrubbery within, but not limited to, said easement area, including by use of herbicides or other similar chemicals approved by the U.S. Environmental Protection Agency, to the extent in the sole judgment of Grantee, as may be necessary to prevent possible interference with the operation of said facilities or to remove possible hazard thereto. Grantor shall not make changes in grade, elevation or contour of the land or impound water within the easement area as described above without prior written consent of Grantee.

Grantor reserves the right to use the land within the above described easement area for purposes not inconsistent with Grantee's use of such property, provided such use shall not, in the sole judgment of Grantee, interfere with the exercise by Grantee of the rights hereby granted.

TO HAVE AND TO HOLD the above described easement and right-of-way unto the said Grantee, its successors and assigns, until all of said electric lines and facilities shall be abandoned, and in that event said easement and right-of-way shall cease and all rights herein granted shall terminate and revert to Grantor or Grantor's heirs, successors or assigns, and legal representatives, to warrant and forever defend the above described easement and right-of-way unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

EXECUTED this _____ day of _____, 2014.

TOWN OF ADDISON, TEXAS

By: _____
Lea Dunn, City Manager

STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Lea Dunn, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same as the act and deed of the Town of Addison, as the City Manager thereof, and for the purposes and consideration therein expressed and in the capacity therein stated, and that she was authorized to do so.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, A.D. 2014.

_____
Notary Public in and for the State of Texas

EXHIBIT "A"

Lying and situated in the Town of Addison, Dallas County, Texas, the G.W. Fisher Survey, Abstract No. 482, and being a part of Lot 1, Block 1 of Addison Conference Center – Addison Centre Theatre, an addition to the Town of Addison, according to the map or plat thereof recorded in Volume 90241, page 2807, Deed Records of Dallas County, Texas (D.R.D.C.T.), and being more particularly described as follows:

COMMENCING at an "X" in the concrete found in the north right of way line of Addison Circle for the southwest corner of Addison Circle Phase I, an addition to the Town of Addison according to the map or plat thereof recorded in Volume 97189, page 1047, D.R.D.C.T.; Thence N 00° 33' 29" W, departing said right of way line and along the east line of said Lot 1 183.43 feet to an "X" in the concrete found; Thence S 89° 24' 14" W, 80.98 feet to a 5/8" iron rod with a yellow cap found; thence N 00° 41' 13" W, 202.59 feet to the south right of way line of Morris Avenue; Thence S 89° 18' 47" W, along the north line of said Lot 1, 284.23 feet; Thence N 00° 08' 49" W, 6.23 feet to the south line of a 10.00 feet wide Electric Easement recorded in Volume 96180, page 5239, D.R.D.C.T.; Thence N 64° 27' 58" W, along said easement line, 10.80 feet; Thence S 89° 46' 15" W, along said easement line, 10.80 feet; Thence S 89° 46' 15" W, along said easement line 87.63 feet to the POINT OF BEGINNING;

THENCE S 00° 13' 45" E, departing said easement line, 17.00 feet;

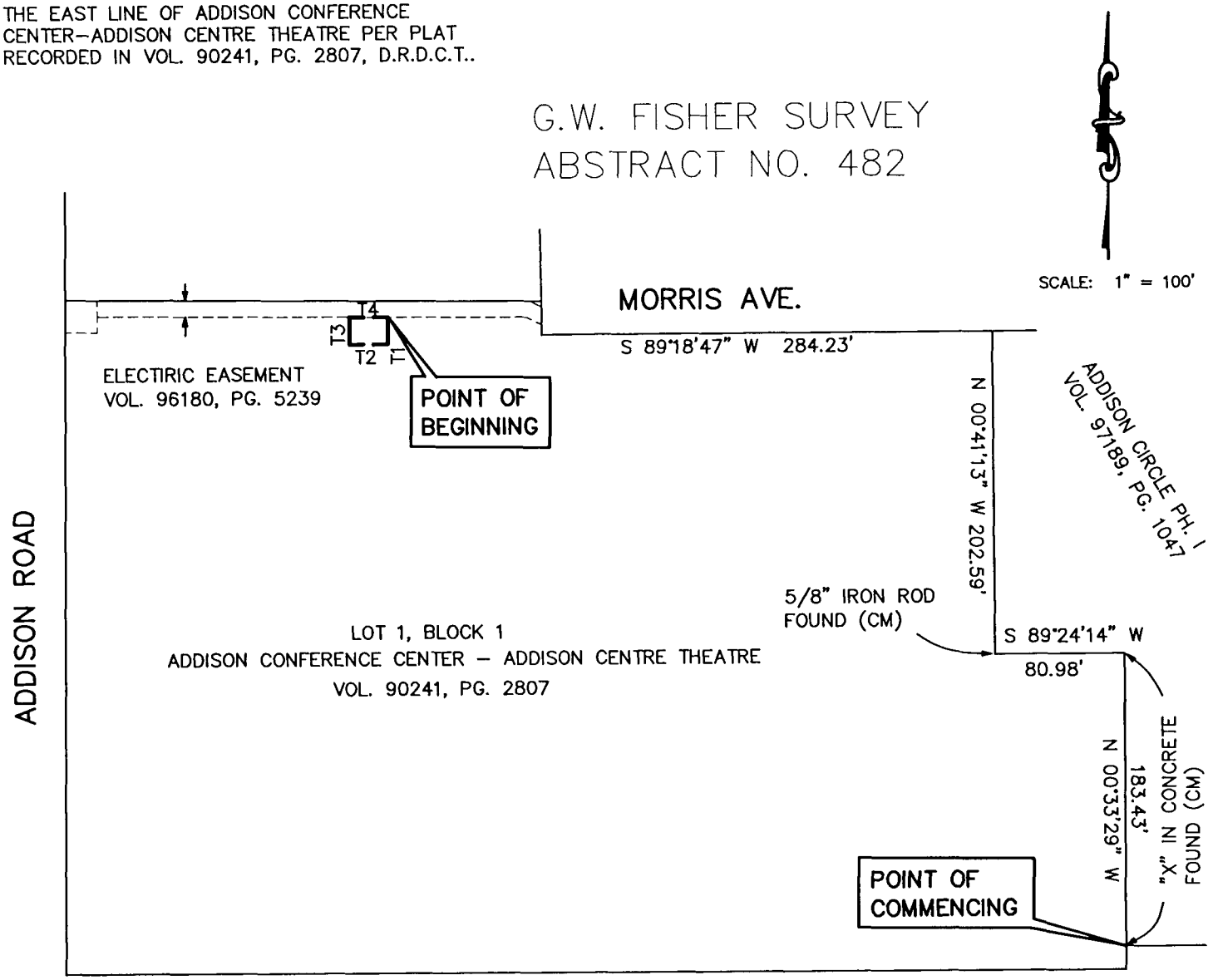
THENCE S 89° 46' 15" W, a distance of 24.00 feet;

THENCE N 00° 13' 45" W, 17.00 feet to the south line of said Electric Easement;

THENCE N 89° 46' 15" E, along said easement line, 24.00 feet to the Point of Beginning and containing 408.00 square feet of land more or less.

WR#3209664

BEARING BASIS:
THE EAST LINE OF ADDISON CONFERENCE CENTER–ADDISON CENTRE THEATRE PER PLAT RECORDED IN VOL. 90241, PG. 2807, D.R.D.C.T..



STATE OF TEXAS
REGISTERED
WILLIAM S. WARD
4238
PROFESSIONAL
LAND SURVEYOR

CM = CONTROLLING MONUMENT

TANGENT	BEARING	LENGTH
T1	S 00°13'45" E	17.00'
T2	S 89°46'15" W	24.00'
T3	N 00°13'45" W	17.00'
T4	N 89°46'15" E	24.00'

KNOW ALL MEN BY THESE PRESENTS:

THAT I WILLIAM S. WARD, REGISTERED PROFESSIONAL LAND SURVEYOR DO HEREBY DECLARE THAT THIS PLAT IS THE RESULT OF A SURVEY MADE ON THE GROUND UNDER MY PERSONAL SUPERVISION ON MAY 20, 2014 AND ALL DIMENSIONS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

WILLIAM S. WARD, R.P.L.S. NO. 4238

EXHIBIT "A"
ONCOR ELECTRIC DELIVERY CO. EASEMENT

CORNERSTONE SURVEYING, INC
200 WEST MARSHALL
P.O BOX 699 , PALMER, TEXAS 75152
TEL. (972) 845-2505 ~ FAX. (972) 845-2455
FIRM NO. 100215-00

Combined Meeting **R15**

Meeting Date: 06/10/2014

Council Goals: Infrastructure improvement and maintenance

AGENDA CAPTION:

Presentation, discussion, consider and take action approving and authorizing the City Manager to execute a contract with Kleinfelder for the design and construction inspection services associated with the rehabilitation of the Addison Circle Elevated Storage Tank (EST) as described in the Five-Year Capital Improvement Plan for Water Storage Facilities report dated May 16, 2014, for an amount not to exceed $220,273.

FINANCIAL IMPACT:

This project is budgeted in the Utility Fund Capital Improvements Budget.

BACKGROUND:

The Town owns four water storage facilities:

- Celestial Ground Storage Tank - 6 million gallon
- Surveyor Ground Storage Tank - 2 million gallon
- Addison Elevated Storage Tank - 1 million gallon
- Surveyor Elevated Storage Tank - 1.5 million gallon

Each of these facilities is a critical piece of the water distribution system and their overall maintenance is crucial to providing water to the residents, businesses, and visitors of Addison.

In September 2013, Council authorized a contract with Kleinfelder to perform an assessment and evaluation of the Addison EST, the Surveyor ground storage tank, and the Celestial ground storage tank in order to develop a capital improvement program to include recommendations for prioritization and an opinion of probable cost of each of the identified improvements. That report, dated May 14, 2014, identified several projects that were considered "important to maintain and preserve the physical assets that support the Town of Addison's water storage operation, programs, and services."

Having been identified, the projects were then evaluated and compared by considering the likelihood of failure and the consequence of such failure. The projects were then prioritized according to the risk factor for each facility. The top priority, according to the report, are the repairs needed for the Addison Circle

EST. In particular, the removal and replacement of the interior and exterior coating of the tank, the replacement of the roof rafters, patching the corroded areas of several roof plates, and the upgrading and replacement of the safety system.

The next steps are the design of the improvements and the construction management thereof. Staff proposes to have Kleinfelder provide the design plans, specification, and bid documents for the rehabilitation of the Addison EST, including but not limited to:

- preparation of plans and specifications
- opinion of probable cost
- design project management
- assistance during the bid phase
- assistance during the construction phase
- half-time inspection services throughout the tank rehabilitation project
- a one-year anniversary observation and associated report preparation

The design and construction administration phase services will be provided for an amount not to exceed $147,123. The construction observation phase services will be charged on a time and materials basis and are not expected to exceed $73,150. This amount will not be exceeded without prior approval. The total estimated amount of the contract is not expected to exceed $220,273.

RECOMMENDATION:

Administration recommends approval.

Combined Meeting **R16**

Meeting Date: 06/10/2014

Council Goals: N/A

AGENDA CAPTION:

Discussion regarding the Elevated Storage Tank located within the Town adjacent to the southeast corner of the intersection of Surveyor Boulevard and Arapaho Road and the wind turbines located thereon.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION: