



**REGULAR MEETING & WORK SESSION
OF THE CITY COUNCIL**

August 11, 2020

ADDISON TOWN HALL

**5300 BELT LINE RD., DALLAS, TX 75254
5:30 PM EXECUTIVE SESSION, WORK SESSION
& REGULAR MEETING**

Notice is hereby given that the Addison City Council, using electronic medium, will conduct its REGULARLY SCHEDULED MEETING on Tuesday, August 11, 2020. No meeting will be conducted at Town Hall. A temporary suspension of the Open Meetings Act to allow telephone or videoconference public meetings has been granted by Governor Greg Abbott. These actions are being taken to mitigate the spread of COVID-19 by avoiding meetings that bring people into a group setting and in accordance with Section 418.016 of the Texas Government Code. Telephonic or videoconferencing capabilities will be utilized to allow individuals to address the Council. Email comments may also be submitted to iparker@addisontx.gov by 3:00 pm the day of the meeting. Members of the public are entitled to participate remotely via Toll-Free Dial-in Number: 877.853.5247; Meeting ID: 409.327.0683 Participant ID: #. For more detailed instructions on how to participate in this meeting visit our Agenda Page. The meeting will be live streamed on Addison's website at www.addisontexas.net.

Call Meeting to Order

Pledge of Allegiance

EXECUTIVE SESSION

Closed (Executive) Session of the Addison City Council pursuant to:

Section 551.071, Tex. Gov. Code, to conduct a private consultation with its attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Tex. Gov. Code, pertaining to:

- A special election to consider Charter amendments

Reconvene in to Regular Session: In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider action, if any, on matters discussed in Executive Session.

WORK SESSION

1. Present and Discuss **Any Action Necessary or New Information Regarding the COVID-19 Pandemic.**
 2. Present and Discuss **the Town of Addison Facility, Residential Refuse and Recycling Services, and Bulk Trash and Unbundled Brush Collection Request for Proposals.**
 3. Present and Discuss **Public Safety Concerns within the Oaks North Neighborhood.**
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REGULAR MEETING

Announcements and Acknowledgments Regarding Town and Council Events and Activities

Discussion of Meetings / Events

Public Comment

The City Council invites citizens to address the City Council on any matter, including items on the agenda, except public hearings that are included on the agenda. Comments related to public hearings will be heard when the specific hearing

starts. Citizen comments are limited to three (3) minutes, unless otherwise required by law. To address the Council, please fill out a City Council Appearance Card and submit it to a staff member prior to the Public Comment item on the agenda. The Council is not permitted to take any action or discuss any item not listed on the agenda. The Council may choose to place the item on a future agenda.

Consent Agenda

All items listed under the Consent Agenda are considered routine by the City Council and will be enacted by one motion with no individual consideration. If individual consideration of an item is requested, it will be pulled from the Consent Agenda and discussed separately.

4. Consider Action to Approve the **Minutes from the June 15, 2020 Special Meeting and the July 14, 2020 Regular Meeting.**
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Regular Items

5. Hold a Public Hearing, Present, Discuss, and Consider Action on an **Ordinance Changing the Zoning on Property Located at 5100 Belt Line Road Suite 796, Which Property is Currently Zoned PD, Planned Development, Through Ordinances O12-002 and O20-08, by Approving a Special Use Permit for a New Restaurant With the Sale of Alcoholic Beverages for on Premises Consumptions Only.** Case 1815-SUP/Pie Tap.
6. Present, Discuss, and Consider Action **Related to a Special Election to Consider Charter Amendments; Including Potential Action to Adopt an Ordinance Ordering the Special Election for the November 2020 Uniform Election Date.**
7. Present, Discuss, and Consider Action on an **Ordinance Authorizing the Issuance of Town of Addison, Texas, General Obligation Bonds, Series 2020.**
8. Present, Discuss, and Consider Action on an **Ordinance Authorizing the Issuance of Town of Addison, Texas, General Obligation Refunding Bonds, Taxable Series 2020.**

9. Present, Discuss and Consider Action on Change Order #2 to the Contract with JC Commercial, Inc. for Costs Related to Unforeseen Site Conditions for the United States Customs and Border Protection Facility at Addison Airport and Authorize the City Manager to Execute the Change Order in an Amount Not to Exceed \$141,881.10.

10. Present, Discuss, and Consider Action on a Resolution to Approve a Ground Lease Agreement Between the Town of Addison and Mercury Air Center - Addison, Inc, (Doing Business As Atlantic Aviation) in the Proximity of 4400 Glenn Curtiss Drive and Authorize the City Manager to Execute the Agreement.

11. Present, Discuss, and Consider Action on the Second Reading of an Ordinance of the Town of Addison, Texas Granting to Oncor Electric Delivery Company LLC, Its Successors and Assigns, an Electric Power Franchise.

Adjourn Meeting

NOTE: The City Council reserves the right to meet in Executive Session closed to the public at any time in the course of this meeting to discuss matters listed on the agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Chapter 551, including §551.071 (private consultation with the attorney for the City); §551.072 (purchase, exchange, lease or value of real property); §551.074 (personnel or to hear complaints against personnel); §551.076 (deployment, or specific occasions for implementation of security personnel or devices); and §551.087 (economic development negotiations). Any decision held on such matters will be taken or conducted in Open Session following the conclusion of the Executive Session.

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.

POSTED BY: _____

Irma G. Parker, City Secretary

DATE POSTED: _____

TIME POSTED: _____

DATE REMOVED FROM BULLETIN BOARD: _____

REMOVED BY: _____

Council Meeting

1.

Meeting Date: 08/11/2020

Department: City Manager

AGENDA CAPTION:

Present and Discuss Any Action Necessary or New Information Regarding the COVID-19 Pandemic.

BACKGROUND:

In December 2019, a novel (new) coronavirus known as SARS-CoV-2 ('the virus') was first detected and subsequently began causing outbreaks of the coronavirus disease COVID-19 that spread globally. The virus is easily transmitted through person to person contact, especially in group settings. As a result, the Federal Government, State of Texas, Dallas County, and the Town of Addison issued a series of declarations and orders to take measures to slow the spread of the virus and protect the ability of public and private health care providers to handle the influx of potential new patients and safeguard public health and safety.

The President of the United States issued a Proclamation Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) on March 13, 2020. The Texas Governor followed with a State of Disaster Declaration for the State of Texas on March 13, 2020.

Between March 23 and April 21, 2020, a series of orders from the Dallas County Judge were issued pertaining to the closure of nonessential businesses, mask and social distancing requirements, and shelter-in-place orders to prevent the spread of the virus.

On April 23, 2020:

- The Dallas County Judge issued a revised order to be consistent with the Governor's Order, which removed elective surgery language, updates language on religious and worship services, and requires schools to be closed for the remainder of the 2019-2020 school year.

Between April 27, 2020 and June 3, 2020 the Governor of Texas began to issue several Executive Orders to begin safely opening Texas businesses. Executive Order No. GA 18 prompted the strategic reopening of services, which specified retail services that are not "essential services" that could be provided through pickup or delivery. It also allowed the reopening of dine-in restaurant services, for restaurants that operate at up to 25 percent of the total listed occupancy of the restaurant. Movie theaters, museums, and libraries were also allowed to reopen with similar restrictions. This order was followed by several others targeted at incrementally opening nonessential businesses.

On June 16, 2020:

- Governor Greg Abbott and Executive Vice Chancellor for Health Affairs of the University of Texas (UT) System John Zerwas, MD, provided an update on Texas' hospital capacity. The Governor noted that despite an uptick in positive cases, there continues to be abundant hospital capacity. He also urged all Texans to continue to do their part to mitigate the spread of COVID-19 and look out for the health of themselves and those around them.

On June 23, 2020:

- Governor Abbott issued a proclamation expanding the ability of mayors and county judges to impose restrictions on outdoor gatherings of over 100 people.

On June 25, 2020:

- Governor Greg Abbott issued an Executive Order to ensure hospital bed availability for COVID-19 patients by suspending elective surgeries at hospitals in Bexar, Dallas, Harris, and Travis counties.

On June 26, 2020:

- Governor Abbott issued a new Executive Order limiting certain businesses and services. This order closed bars at noon on Friday, June 26 and reduced restaurant capacity to 50% on Monday, June 29.

On July 2, 2020:

- Governor Abbott issued an Executive Order requiring all Texans to wear a face covering over the nose and mouth in public spaces in counties with 20 or more positive COVID-19 cases, with few exceptions.

The Town has taken the following actions:

- The closure of all Town facilities for public access has been extended.
- All in-person Addison Athletic Club camps and classes have been canceled.
- The Addison Athletic Club is open with modifications to adhere to State and County orders. Third-party outside exercise programs are being held virtually at the discretion of the vendor.
- The Addison Conference and Theatre Centre (ACTC) will remain closed.
- Special Events: The May Addison After Dark Event Series has been canceled and replaced with Addison Weekend Drive-ins.
- Parks and Public Works crews are continuing their work to maintain the Town's assets.
- The Town of Addison has taken (and will continue to take) actions to prevent the spread of the virus. Everyone is encouraged to follow Social Distancing recommendations.

For more information on the previous updates from the Town related to the COVID-19 pandemic, please visit the Town's website www.AddisonTexas.net/covid19.

RECOMMENDATION:

Information only, no action required.

Attachments

Social Distancing Recommendations

Minimum Standard Health Protocols

State of Texas Executive Order No. GA 29 Effective July 2, 2020

DCHHS Social Distancing Recommendations

1) Vulnerable Populations: Limit Outings

- Vulnerable populations include people who are:
 - 60 years old and older.
 - People with certain health conditions such as heart disease, lung disease, diabetes, kidney disease and weakened immune systems.
- For vulnerable populations, don't go to gatherings (of 10 people or more) unless it is essential. If you can telecommute, you should. Avoid people who are sick.

2) Workplace and Businesses: Minimize Exposure

- Suspend nonessential employee travel.
- Minimize the number of employees working within arm's length of one another, including minimizing or canceling large in-person meetings and conferences.
- Urge employees to stay home when they are sick and maximize flexibility in sick leave benefits.
- Do not require a doctor's note for employees who are sick.
- Consider use of telecommuting options.
- Some people need to be at work to provide essential services of great benefit to the community. They can take steps in their workplace to minimize risk.

3) Large Gatherings: Cancel Non-essential Events

- Recommend cancelling or postponing large gatherings, such as concerts, sporting events, conventions or large community events.
- Do not attend any events or gatherings if sick.
- For events that aren't cancelled, we recommend:
 - Having hand washing capabilities, hand sanitizers and tissues available.
 - Frequently cleaning high touch surface areas like counter tops and hand rails.
 - Finding ways to create physical space to minimize close contact as much as possible.

4) Schools: Safety First

- Do not have your child attend school if sick.
- If you have a child with chronic health conditions, consult the child's doctor about school attendance.
- Schools should equip all classrooms with hand sanitizers and tissues.
- Recommend rescheduling or cancelling medium to large events that are not essential.
- Explore remote teaching and online options to continue learning.
- Schools should develop a plan for citywide school closures, and families should prepare for potential closures.

5) Transit: Cleaning and Protection

- Increase cleaning of vehicles and high touch surface areas.
- Provide hand washing/hand sanitizers and tissues in stations and on vehicles.

6) Health Care Settings: Avoid as possible, protect the vulnerable

- Long term care facilities should have a COVID-19 plan in accordance with CDC or state guidelines.
- Long term care facilities should screen all staff and visitors for illness and turn away those with symptoms.
- The general public should avoid going to medical settings such as hospitals, nursing homes and long-term care facilities, even if you are not ill.
- If you are ill, call your health care provider ahead of time, and you may be able to be served by phone.
- Do not visit emergency rooms unless it is essential.
- Visitors should not go to long-term care facilities unless absolutely essential.
- Follow guidance and directions of all facilities.

7) Everyone: Do your part

The best way for all Dallas County residents to reduce their risk of getting sick, as with seasonal colds or the flu, still applies to prevent COVID-19:

- Wash hands with soap and water for at least 20 seconds.
- Cough or sneeze into your elbow or a tissue. Throw the tissue in the trash.
- Stay home if you are sick.
- Avoid touching your face.
- Try alternatives to shaking hands, like an elbow bump or wave.
- If you have recently returned from a country, state or region with ongoing COVID-19 infections, monitor your health and follow the instructions of public health officials and CDC guidance.
- There is no recommendation to wear masks at this time to prevent yourself from getting sick.



CHECKLIST FOR ALL INDIVIDUALS

Page 1 of 1

In accordance with Governor Abbott's executive order GA-18, the following are the minimum recommended health protocols for all individuals in Texas. These minimum health protocols are not a limit on the health protocols that individuals may adopt. Individuals are encouraged to adopt additional protocols consistent with their specific needs and circumstances to help protect the health and safety of all Texans.

The virus that causes COVID-19 can be spread to others by infected persons who have few or no symptoms. Even if an infected person is only mildly ill, the people they spread it to may become seriously ill or even die, especially if that person is 65 or older with pre-existing health conditions that place them at higher risk. Because of the hidden nature of this threat, everyone should rigorously follow the practices specified in these protocols, all of which facilitate a safe and measured reopening of Texas. The virus that causes COVID-19 is still circulating in our communities. We should continue to observe practices that protect everyone, including those who are most vulnerable.

Please note, public health guidance cannot anticipate every unique situation. Individuals should stay informed and take actions based on common sense and wise judgment that will protect health and support economic revitalization.

Health protocols for individuals:

- Maintain at least 6 feet separation from other individuals not within the same household. If such distancing is not feasible, other measures such as face covering, hand hygiene, cough etiquette, cleanliness, and sanitation should be rigorously practiced.
- Self-screen before going into a business for any of the following new or worsening signs or symptoms of possible COVID-19:
 - Cough
 - Shortness of breath or difficulty breathing
 - Chills
 - Repeated shaking with chills
 - Muscle pain
 - Headache
 - Sore throat
 - Loss of taste or smell
 - Diarrhea
 - Feeling feverish or a measured temperature greater than or equal to 100.0 degrees Fahrenheit
 - Known close contact with a person who is lab confirmed to have COVID-19
- Wash or disinfect hands upon entering a business and after any interaction with employees, other customers, or items in the business.
- Consistent with the actions taken by many individuals across the state, consider wearing cloth face coverings (over the nose and mouth) when entering a business, or when within 6 feet of another person who is not a member of the individual's household. If available, individuals should consider wearing non-medical grade face masks.



CHECKLIST FOR ALL EMPLOYERS

In accordance with Governor Abbott's executive order GA-18, the following are the minimum recommended health protocols for all businesses choosing to operate in Texas. Employers may adopt additional protocols consistent with their specific needs and circumstances to help protect the health and safety of all employees and customers.

The virus that causes COVID-19 can be spread to others by infected persons who have few or no symptoms. Even if an infected person is only mildly ill, the people they spread it to may become seriously ill or even die, especially if that person is 65 or older with pre-existing health conditions that place them at higher risk. Because of the hidden nature of this threat, everyone should rigorously follow the practices specified in these protocols, all of which facilitate a safe and measured reopening of Texas. The virus that causes COVID-19 is still circulating in our communities. We should continue to observe practices that protect everyone, including those who are most vulnerable.

Please note, public health guidance cannot anticipate every unique situation. Employers should stay informed and take actions based on common sense and wise judgment that will protect health and support economic revitalization. Employers should also be mindful of federal and state employment laws and workplace safety standards.

Health protocols for your employees:

- Train all employees on appropriate cleaning and disinfection, hand hygiene, and respiratory etiquette.
- Screen employees before coming into the business:
 - Send home any employee who has any of the following new or worsening signs or symptoms of possible COVID-19:
 - Cough
 - Shortness of breath or difficulty breathing
 - Chills
 - Repeated shaking with chills
 - Muscle pain
 - Headache
 - Sore throat
 - Loss of taste or smell
 - Diarrhea
 - Feeling feverish or a measured temperature greater than or equal to 100.0 degrees Fahrenheit
 - Known close contact with a person who is lab confirmed to have COVID-19
 - Do not allow employees with the new or worsening signs or symptoms listed above to return to work until:
 - In the case of an employee who was diagnosed with COVID-19, the individual may return to work when all three of the following criteria are met: at least 3 days (72 hours) have passed



ALL EMPLOYERS: Page 2 of 2

since recovery (resolution of fever without the use of fever-reducing medications); and the individual has improvement in respiratory symptoms (e.g., cough, shortness of breath); and at least 7 days have passed *since symptoms first appeared*; or

- In the case of an employee who has symptoms that could be COVID-19 and does not get evaluated by a medical professional or tested for COVID-19, the individual is assumed to have COVID-19, and the individual may not return to work until the individual has completed the same three-step criteria listed above; or
 - If the employee has symptoms that could be COVID-19 and wants to return to work before completing the above self-isolation period, the individual must obtain a medical professional’s note clearing the individual for return based on an alternative diagnosis.
- Do not allow an employee with known close contact to a person who is lab-confirmed to have COVID-19 to return to work until the end of the 14 day self-quarantine period from the last date of exposure (with an exception granted for healthcare workers and critical infrastructure workers).
- Have employees wash or sanitize their hands upon entering the business.
- Have employees maintain at least 6 feet separation from other individuals. If such distancing is not feasible, other measures such as face covering, hand hygiene, cough etiquette, cleanliness, and sanitation should be rigorously practiced.
- If an employer provides a meal for employees, employers are recommended to have the meal individually packed for each employee.
- Consistent with the actions taken by many employers across the state, consider having all employees wear cloth face coverings (over the nose and mouth). If available, employees should consider wearing non-medical grade face masks.

Health protocols for your facilities:

- Regularly and frequently clean and disinfect any regularly touched surfaces, such as doorknobs, tables, chairs, and restrooms.
- Disinfect any items that come into contact with customers.
- Make hand sanitizer, disinfecting wipes, soap and water, or similar disinfectant readily available to employees and customers.
- Place readily visible signage at the business to remind everyone of best hygiene practices.



CHECKLIST FOR RETAILERS

Page 1 of 3

As outlined in Governor Abbott’s executive order GA-18, non-essential retailers may operate up to 25% of the total listed occupancy. In addition, non-essential retailers may operate through pickup, delivery by mail, or delivery to the customer’s doorstep. Shopping malls may operate at up to 25% of the total listed occupancy of the shopping mall, but shopping mall food court dining areas, play areas, and interactive displays and settings must remain closed.

In accordance with Governor Abbott’s executive order GA-18, the following are the minimum recommended health protocols for all retailers choosing to operate in Texas. Retailers may adopt additional protocols consistent with their specific needs and circumstances to help protect the health and safety of all employees and customers.

The virus that causes COVID-19 can be spread to others by infected persons who have few or no symptoms. Even if an infected person is only mildly ill, the people they spread it to may become seriously ill or even die, especially if that person is 65 or older with pre-existing health conditions that place them at higher risk. Because of the hidden nature of this threat, everyone should rigorously follow the practices specified in these protocols, all of which facilitate a safe and measured reopening of Texas. The virus that causes COVID-19 is still circulating in our communities. We should continue to observe practices that protect everyone, including those who are most vulnerable.

Please note, public health guidance cannot anticipate every unique situation. Retailers should stay informed and take actions based on common sense and wise judgment that will protect health and support economic revitalization. Retailers should also be mindful of federal and state employment laws and workplace safety standards.

Health protocols for serving your customers:

- Retailers are encouraged to consider dedicating a certain period of time each day for only at-risk customers¹ or deliver purchased goods to vehicles to reduce the need for at-risk customers to enter the store.
- If practical, monitor what items customers touch to clean or disinfect when the customer leaves the retail establishment.
- Contactless payment is encouraged. Where not available, contact should be minimized.

¹ At-risk customers are those who are 65 or older, especially those with chronic lung disease; moderate to severe asthma; chronic heart disease; severe obesity; diabetes; chronic kidney disease undergoing dialysis; liver disease; or weakened immune system

MINIMUM STANDARD HEALTH PROTOCOLS



RETAILERS: Page 2 of 3

Health protocols for your retail employees:

- Train all employees on appropriate cleaning and disinfection, hand hygiene, and respiratory etiquette.
- Screen employees before coming into the retailer:
 - Send home any employee who has any of the following new or worsening signs or symptoms of possible COVID-19:
 - Cough
 - Shortness of breath or difficulty breathing
 - Chills
 - Repeated shaking with chills
 - Muscle pain
 - Headache
 - Sore throat
 - Loss of taste or smell
 - Diarrhea
 - Feeling feverish or a measured temperature greater than or equal to 100.0 degrees Fahrenheit
 - Known close contact with a person who is lab confirmed to have COVID-19
 - Do not allow employees with the new or worsening signs or symptoms listed above to return to work until:
 - In the case of an employee who was diagnosed with COVID-19, the individual may return to work when all three of the following criteria are met: at least 3 days (72 hours) have passed *since recovery* (resolution of fever without the use of fever-reducing medications); and the individual has improvement in respiratory symptoms (e.g., cough, shortness of breath); and at least 7 days have passed *since symptoms first appeared*; or
 - In the case of an employee who has symptoms that could be COVID-19 and does not get evaluated by a medical professional or tested for COVID-19, the individual is assumed to have COVID-19, and the individual may not return to work until the individual has completed the same three-step criteria listed above; or
 - If the employee has symptoms that could be COVID-19 and wants to return to work before completing the above self-isolation period, the individual must obtain a medical professional’s note clearing the individual for return based on an alternative diagnosis.
 - Do not allow an employee with known close contact to a person who is lab-confirmed to have COVID-19 to return to work until the end of the 14 day self-quarantine period from the last date of exposure (with an exception granted for healthcare workers and critical infrastructure workers).
- Have employees wash or sanitize their hands upon entering the retailer.



RETAILERS: Page 3 of 3

- Have employees maintain at least 6 feet separation from other individuals. If such distancing is not feasible, other measures such as face covering, hand hygiene, cough etiquette, cleanliness, and sanitation should be rigorously practiced.
- If an employer provides a meal for employees, employers are recommended to have the meal individually packed for each employee.
- Consistent with the actions taken by many retailers across the state, consider having all employees wear cloth face coverings (over the nose and mouth). If available, employees should consider wearing non-medical grade face masks.

Health protocols for your retail facilities:

- Regularly and frequently clean and disinfect any regularly touched surfaces, such as doorknobs, tables, chairs, and restrooms.
- Disinfect any items that come into contact with customers.
- Make hand sanitizer, disinfecting wipes, soap and water, or similar disinfectant readily available to employees and customers.
- Place readily visible signage at the retailer to remind everyone of best hygiene practices.



CHECKLIST FOR RETAIL CUSTOMERS

Page 1 of 1

In accordance with Governor Abbott's executive order GA-18, the following are the minimum recommended health protocols for all retail customers. These protocols are not a limit on the health protocols that individuals may adopt. Individuals are encouraged to adopt additional protocols consistent with their specific needs and circumstances to help protect the health and safety of all Texans.

The virus that causes COVID-19 can be spread to others by infected persons who have few or no symptoms. Even if an infected person is only mildly ill, the people they spread it to may become seriously ill or even die, especially if that person is 65 or older with pre-existing health conditions that place them at higher risk. Because of the hidden nature of this threat, everyone should rigorously follow the practices specified in these protocols, all of which facilitate a safe and measured reopening of Texas. The virus that causes COVID-19 is still circulating in our communities. We should continue to observe practices that protect everyone, including those who are most vulnerable.

Please note, public health guidance cannot anticipate every unique situation. Individuals should stay informed and take actions based on common sense and wise judgment that will protect health and support economic revitalization.

Health protocols for retail customers:

- Self-screen before going into a retailer for any of the following, and do not go into a retailer with any of the following symptoms:
 - Cough
 - Shortness of breath or difficulty breathing
 - Chills
 - Repeated shaking with chills
 - Muscle pain
 - Headache
 - Sore throat
 - Loss of taste or smell
 - Diarrhea
 - Feeling feverish or a measured temperature greater than or equal to 100.0 degrees Fahrenheit
 - Known close contact with a person who is lab confirmed to have COVID-19
- Wash or disinfect hands upon entering a retailer and after any interaction with employees, other customers, or items in the retailer.
- Maintain at least 6 feet separation from other individuals not within the same household. If such distancing is not feasible, other measures such as face covering, hand hygiene, cough etiquette, cleanliness, and sanitation should be rigorously practiced.
- Wash or sanitize hands after the payment process.
- Consistent with the actions taken by many individuals across the state, consider wearing cloth face coverings (over the nose and mouth) when entering a retailer, or when within 6 feet of another person who is not a member of the individual's household. If available, individuals should consider wearing non-medical grade face masks.



CHECKLIST FOR RESTAURANTS

Page 1 of 3

As outlined in Governor Abbott's executive order GA-18, restaurants may operate for dine-in service up to 25% of the total listed occupancy of the restaurant, and may not offer valet services except for vehicles with placards or plates for disabled parking. As used in executive order GA-18, this applies only to restaurants that are not required to post the 51% sign required by the Texas Alcoholic Beverage Commission. Restaurants may continue to provide to-go or delivery services.

In accordance with Governor Abbott's executive order GA-18, the following are the minimum recommended health protocols for all restaurants choosing to operate in Texas. Restaurants may adopt additional protocols consistent with their specific needs and circumstances to help protect the health and safety of all employees and customers.

The virus that causes COVID-19 can be spread to others by infected persons who have few or no symptoms. Even if an infected person is only mildly ill, the people they spread it to may become seriously ill or even die, especially if that person is 65 or older with pre-existing health conditions that place them at higher risk. Because of the hidden nature of this threat, everyone should rigorously follow the practices specified in these protocols, all of which facilitate a safe and measured reopening of Texas. The virus that causes COVID-19 is still circulating in our communities. We should continue to observe practices that protect everyone, including those who are most vulnerable.

Please note, public health guidance cannot anticipate every unique situation. Restaurants should stay informed and take actions based on common sense and wise judgment that will protect health and support economic revitalization. Restaurants should also be mindful of federal and state employment laws and workplace safety standards.

Health protocols for serving your customers:

- Parties maintain at least 6 feet distance apart from other parties at all times, including while waiting to be seated in the restaurant.
- Make a hand sanitizing station available upon entry to the restaurant.
- No tables of more than 6 people.
- Dining:
 - Do not leave condiments, silverware, flatware, glassware, or other traditional table top items on an unoccupied table
 - Provide condiments only upon request, and in single use (non-reusable) portions.
 - Use disposable menus (new for each patron)
 - If a buffet is offered, restaurant employees serve the food to customers.
- Contactless payment is encouraged. Where not available, contact should be minimized.



RESTAURANTS: Page 2 of 3

Health protocols for your employees:

- Train all employees on appropriate cleaning and disinfection, hand hygiene, and respiratory etiquette.
 - Screen employees before coming into the restaurant:
 - Send home any employee who has any of the following new or worsening signs or symptoms of possible COVID-19:
 - Cough
 - Shortness of breath or difficulty breathing
 - Chills
 - Repeated shaking with chills
 - Muscle pain
 - Headache
 - Sore throat
 - Loss of taste or smell
 - Diarrhea
 - Feeling feverish or a measured temperature greater than or equal to 100.0 degrees Fahrenheit
 - Known close contact with a person who is lab confirmed to have COVID-19
 - Do not allow employees with the new or worsening signs or symptoms listed above to return to work until:
 - In the case of an employee who was diagnosed with COVID-19, the individual may return to work when all three of the following criteria are met: at least 3 days (72 hours) have passed *since recovery* (resolution of fever without the use of fever-reducing medications); and the individual has improvement in respiratory symptoms (e.g., cough, shortness of breath); and at least 7 days have passed *since symptoms first appeared*; or
 - In the case of an employee who has symptoms that could be COVID-19 and does not get evaluated by a medical professional or tested for COVID-19, the individual is assumed to have COVID-19, and the individual may not return to work until the individual has completed the same three-step criteria listed above; or
 - If the employee has symptoms that could be COVID-19 and wants to return to work before completing the above self-isolation period, the individual must obtain a medical professional's note clearing the individual for return based on an alternative diagnosis.
 - Do not allow an employee with known close contact to a person who is lab-confirmed to have COVID-19 to return to work until the end of the 14 day self-quarantine period from the last date of exposure (with an exception granted for healthcare workers and critical infrastructure workers).
- Have employees wash or sanitize their hands upon entering the restaurant, and between interactions with customers.



RESTAURANTS: Page 3 of 3

- Have employees maintain at least 6 feet separation from other individuals. If such distancing is not feasible, measures such as face covering, hand hygiene, cough etiquette, cleanliness, and sanitation should be rigorously practiced
- Consistent with the actions taken by many restaurants across the state, consider having all employees wear cloth face coverings (over the nose and mouth). If available, employees should consider wearing non-medical grade face masks.

Health protocols for your facilities:

- Consider having an employee manage and control access to the restaurant, including opening doors to prevent patrons from touching door handles.
- Regularly and frequently clean and disinfect any regularly touched surfaces, such as doorknobs, tables, and chairs.
- Regularly and frequently clean restrooms, and document the cleanings.
- Disinfect any items that come into contact with customers.
- Make hand sanitizer, disinfecting wipes, soap and water, or similar disinfectant readily available to employees and customers.
- Place readily visible signage at the restaurant to remind everyone of best hygiene practices.
- Clean and disinfect the area used for dining (table, etc.) after each group of customers depart, including the disinfecting of tables, chairs, stalls, and countertops.
- Clean and sanitize restaurants daily.



CHECKLIST FOR RESTAURANT CUSTOMERS

Page 1 of 1

In accordance with Governor Abbott's executive order GA-18, the following are the minimum recommended health protocols for all restaurant customers in Texas. These minimum health protocols are not a limit on the health protocols that individuals may adopt. Individuals are encouraged to adopt additional protocols consistent with their specific needs and circumstances to help protect the health and safety of all Texans.

The virus that causes COVID-19 can be spread to others by infected persons who have few or no symptoms. Even if an infected person is only mildly ill, the people they spread it to may become seriously ill or even die, especially if that person is 65 or older with pre-existing health conditions that place them at higher risk. Because of the hidden nature of this threat, everyone should rigorously follow the practices specified in these protocols, all of which facilitate a safe and measured reopening of Texas. The virus that causes COVID-19 is still circulating in our communities. We should continue to observe practices that protect everyone, including those who are most vulnerable.

Please note, public health guidance cannot anticipate every unique situation. Individuals should stay informed and take actions based on common sense and wise judgment that will protect health and support economic revitalization.

Health protocols for restaurant customers:

- Maintain at least 6 feet separation from other individuals not within the same party. If such distancing is not feasible, other measures such as face covering when not sitting at the table, hand hygiene, cough etiquette, cleanliness, and sanitation should be rigorously practiced.
- Self-screen before going into a restaurant for any of the following new or worsening signs or symptoms of possible COVID-19:
 - Cough
 - Shortness of breath or difficulty breathing
 - Chills
 - Repeated shaking with chills
 - Muscle pain
 - Headache
 - Sore throat
 - Loss of taste or smell
 - Diarrhea
 - Feeling feverish or a measured temperature greater than or equal to 100.0 degrees Fahrenheit
 - Known close contact with a person who is lab confirmed to have COVID-19
- Wash or disinfect hands upon entering a restaurant and after any interaction with employees, other customers, or items in the restaurant.
- No tables of more than 6 people.
- Customers should wash or sanitize their hands after the payment process.
- Consistent with the actions taken by many individuals across the state, consider wearing cloth face coverings (over the nose and mouth) when not at the table, or when within 6 feet of another person who is not a member of the individual's household. If available, individuals should consider wearing non-medical grade face masks.



CHECKLIST FOR MOVIE THEATERS

Page 1 of 3

As outlined in Governor Abbott’s executive order GA-18, movie theaters may operate up to 25% of the total listed occupancy of any individual theater for any screening.

In accordance with Governor Abbott’s executive order GA-18, the following are the minimum recommended health protocols for all movie theaters choosing to operate in Texas. Movie theaters may adopt additional protocols consistent with their specific needs and circumstances to help protect the health and safety of all employees and customers.

The virus that causes COVID-19 can be spread to others by infected persons who have few or no symptoms. Even if an infected person is only mildly ill, the people they spread it to may become seriously ill or even die, especially if that person is 65 or older with pre-existing health conditions that place them at higher risk. Because of the hidden nature of this threat, everyone should rigorously follow the practices specified in these protocols, all of which facilitate a safe and measured reopening of Texas. The virus that causes COVID-19 is still circulating in our communities. We should continue to observe practices that protect everyone, including those who are most vulnerable.

Please note, public health guidance cannot anticipate every unique situation. Movie theaters should stay informed and take actions based on common sense and wise judgment that will protect health and support economic revitalization. Movie theaters should also be mindful of federal and state employment laws and workplace safety standards.

Health protocols for serving your customers:

- Movie theaters are encouraged to utilize remote ticketing options to help manage capacity limitations.
- Ensure proper spacing between patrons in the movie theater:
 - Keep at least two empty seats (or six feet separation) between parties in any row, except as follows:
 - Two or more members of the same household can sit adjacent to one another, with two seats (or six feet separation) empty on either side.
 - Two individuals who are not members of the same household but who are attending together can sit adjacent to one another, with two seats (or six feet separation) empty on either side.
 - Alternate rows between customers (every other row left empty).
 - Disinfect seats and frequently touched areas between screenings.
- For movie theaters providing food service to patrons:
 - Do not leave condiments, silverware, flatware, glassware, or other traditional table top items on an unoccupied table.



MOVIE THEATERS: Page 2 of 3

- Provide condiments only upon request, and in single use (non-reusable) portions.
- Clean and disinfect the area used for dining (table, etc.) after each group of customers depart the theater.
- Use disposable menus (new for each patron).
- If the theater allows customers to write down their food orders inside the theater, provide take-home pencils and notepads that cannot be used by other customers.
- Have wait staff sanitize or wash hands between interactions with customers.
- Movie theaters with counter food service for patrons:
 - Provide condiments or flatware only in single use, individually-wrapped items, and provide condiments only upon request.
 - Have employees follow proper food-handling protocols.
 - Disinfect any items that come into contact with customers.
- Contactless payment is encouraged. Where not available, contact should be minimized.

Health protocols for your theater employees:

- Train all employees on appropriate cleaning and disinfection, hand hygiene, and respiratory etiquette.
- Screen employees before coming into the movie theater:
 - Send home any employee who has any of the following new or worsening signs or symptoms of possible COVID-19:

– Cough	– Sore throat
– Shortness of breath or difficulty breathing	– Loss of taste or smell
– Chills	– Diarrhea
– Repeated shaking with chills	– Feeling feverish or a measured temperature greater than or equal to 100.0 degrees Fahrenheit
– Muscle pain	– Known close contact with a person who is lab confirmed to have COVID-19
– Headache	
 - Do not allow employees with the new or worsening signs or symptoms listed above to return to work until:
 - In the case of an employee who was diagnosed with COVID-19, the individual may return to work when all three of the following criteria are met: at least 3 days (72 hours) have passed



MOVIE THEATERS: Page 3 of 3

since recovery (resolution of fever without the use of fever-reducing medications); and the individual has improvement in respiratory symptoms (e.g., cough, shortness of breath); and at least 7 days have passed *since symptoms first appeared*; or

- In the case of an employee who has symptoms that could be COVID-19 and does not get evaluated by a medical professional or tested for COVID-19, the individual is assumed to have COVID-19, and the individual may not return to work until the individual has completed the same three-step criteria listed above; or
- If the employee has symptoms that could be COVID-19 and wants to return to work before completing the above self-isolation period, the individual must obtain a medical professional’s note clearing the individual for return based on an alternative diagnosis.

- Do not allow an employee with known close contact to a person who is lab-confirmed to have COVID-19 to return to work until the end of the 14 day self-quarantine period from the last date of exposure (with an exception granted for healthcare workers and critical infrastructure workers).
- Have employees wash or sanitize their hands upon entering the movie theater, and between interactions with customers.
- Have employees maintain at least 6 feet separation from other individuals. If such distancing is not feasible, other measures such as face covering, hand hygiene, cough etiquette, cleanliness, and sanitation should be rigorously practiced.
- If an employer provides a meal for employees, employers are recommended to have the meal individually packed for each employee.
- Consistent with the actions taken by many businesses across the state, consider having all employees wear cloth face coverings (over the nose and mouth). If available, employees should consider wearing non-medical grade face masks.

Health protocols for your theater facilities:

- Regularly and frequently clean and disinfect any regularly touched surfaces, such as doorknobs, tables, chairs, and restrooms.
- Disinfect any items that come into contact with customers.
- Make hand sanitizer, disinfecting wipes, soap and water, or similar disinfectant readily available to employees and customers.
- Place readily visible signage at the movie theater to remind everyone of best hygiene practices.
- Clean and disinfect the area used for dining (table, etc.) after each group of customers depart, including the disinfecting of tables, chairs, stalls, and countertops.



CHECKLIST FOR MOVIE THEATER CUSTOMERS

Page 1 of 1

In accordance with Governor Abbott's executive order GA-18, the following are the minimum recommended health protocols for all movie theater customers. These minimum health protocols are not a limit on the health protocols that individuals may adopt. Individuals are encouraged to adopt additional protocols consistent with their specific needs and circumstances to help protect the health and safety of all Texans.

The virus that causes COVID-19 can be spread to others by infected persons who have few or no symptoms. Even if an infected person is only mildly ill, the people they spread it to may become seriously ill or even die, especially if that person is 65 or older with pre-existing health conditions that place them at higher risk. Because of the hidden nature of this threat, everyone should rigorously follow the practices specified in these protocols, all of which facilitate a safe and measured reopening of Texas. The virus that causes COVID-19 is still circulating in our communities. We should continue to observe practices that protect everyone, including those who are most vulnerable.

Please note, public health guidance cannot anticipate every unique situation. Individuals should stay informed and take actions based on common sense and wise judgment that will protect health and support economic revitalization.

Health protocols for theater customers:

- Maintain at least 6 feet separation from other individuals who are not attending the movie together. If such distancing is not feasible, other measures such as face covering, hand hygiene, cough etiquette, cleanliness, and sanitation should be rigorously practiced.
- Self-screen before going into a movie theater for any of the following new or worsening signs or symptoms of possible COVID-19:
 - Cough
 - Shortness of breath or difficulty breathing
 - Chills
 - Repeated shaking with chills
 - Muscle pain
 - Headache
 - Sore throat
 - Loss of taste or smell
 - Diarrhea
 - Feeling feverish or a measured temperature greater than or equal to 100.0 degrees Fahrenheit
 - Known close contact with a person who is lab confirmed to have COVID-19
- Wash or disinfect hands upon entering a movie theater and after any interaction with employees, other customers, or items in the movie theater.
- Consistent with the actions taken by many individuals across the state, consider wearing cloth face coverings (over the nose and mouth) when entering a movie theater, or when within 6 feet of another person who is not a member of the individual's household. If available, individuals should consider wearing non-medical grade face masks.
- Wash or sanitize hands after the payment process.



CHECKLIST FOR MUSEUMS AND LIBRARIES

Page 1 of 2

As outlined in Governor Abbott’s executive order GA-18, museums and libraries may operate up to 25% of the total listed occupancy, and must close any components of the museum or library that have interactive functions or exhibits, including child play areas. Local public museums and libraries may operate only if permitted by the local government.

In accordance with Governor Abbott’s executive order GA-18, the following are the minimum recommended health protocols for all museums and libraries choosing to operate in Texas. Museums and libraries may adopt additional protocols consistent with their specific needs and circumstances to help protect the health and safety of all employees and customers.

The virus that causes COVID-19 can be spread to others by infected persons who have few or no symptoms. Even if an infected person is only mildly ill, the people they spread it to may become seriously ill or even die, especially if that person is 65 or older with pre-existing health conditions that place them at higher risk. Because of the hidden nature of this threat, everyone should rigorously follow the practices specified in these protocols, all of which facilitate a safe and measured reopening of Texas. The virus that causes COVID-19 is still circulating in our communities. We should continue to observe practices that protect everyone, including those who are most vulnerable.

Please note, public health guidance cannot anticipate every unique situation. Museums and libraries should stay informed and take actions based on common sense and wise judgment that will protect health and support economic revitalization. Museums and libraries should also be mindful of federal and state employment laws and workplace safety standards.

Health protocols for your employees:

- Train all employees on appropriate cleaning and disinfection, hand hygiene, and respiratory etiquette.
- Screen employees before coming into the museum or library:
 - Send home any employee who has any of the following new or worsening signs or symptoms of possible COVID-19:

– Cough	– Sore throat
– Shortness of breath or difficulty breathing	– Loss of taste or smell
– Chills	– Diarrhea
– Repeated shaking with chills	– Feeling feverish or a measured temperature greater than or equal to 100.0 degrees Fahrenheit
– Muscle pain	– Known close contact with a person who is lab confirmed to have COVID-19
– Headache	
 - Do not allow employees with the new or worsening signs or symptoms listed above to return to work until:
 - In the case of an employee who was diagnosed with COVID-19, the individual may return to



MUSEUMS AND LIBRARIES: Page 2 of 2

work when all three of the following criteria are met: at least 3 days (72 hours) have passed *since recovery* (resolution of fever without the use of fever-reducing medications); and the individual has improvement in respiratory symptoms (e.g., cough, shortness of breath); and at least 7 days have passed *since symptoms first appeared*; or

- In the case of an employee who has symptoms that could be COVID-19 and does not get evaluated by a medical professional or tested for COVID-19, the individual is assumed to have COVID-19, and the individual may not return to work until the individual has completed the same three-step criteria listed above; or
- If the employee has symptoms that could be COVID-19 and wants to return to work before completing the above self-isolation period, the individual must obtain a medical professional's note clearing the individual for return based on an alternative diagnosis.

- Do not allow an employee with known close contact to a person who is lab-confirmed to have COVID-19 to return to work until the end of the 14 day self-quarantine period from the last date of exposure (with an exception granted for healthcare workers and critical infrastructure workers).
- Have employees wash or sanitize their hands upon entering the museum or library, and between interactions with visitors.
- Have employees maintain at least 6 feet separation from other individuals. If such distancing is not feasible, measures such as face covering, hand hygiene, cough etiquette, cleanliness, and sanitation should be rigorously practiced
- If an employer provides a meal for employees, employers are recommended to have the meal individually packed for each employee.
- Consistent with the actions taken by many businesses across the state, consider having all employees wear cloth face coverings (over the nose and mouth). If available, employees should consider wearing non-medical grade face masks.

Health protocols for your facilities:

- Regularly and frequently clean and disinfect any regularly touched surfaces, such as doorknobs, tables, chairs, and restrooms.
- Disinfect any items that come into contact with visitors.
- Make hand sanitizer, disinfecting wipes, soap and water, or similar disinfectant readily available to employees and visitors.
- Place readily visible signage at the facility to remind everyone of best hygiene practices.



CHECKLIST FOR ALL MUSEUM AND LIBRARY VISITORS Page 1 of 1

In accordance with Governor Abbott's executive order GA-18, the following are the minimum recommended health protocols for all museum and library visitors in Texas. These minimum health protocols are not a limit on the health protocols that individuals may adopt. Individuals are encouraged to adopt additional protocols consistent with their specific needs and circumstances to help protect the health and safety of all Texans.

The virus that causes COVID-19 can be spread to others by infected persons who have few or no symptoms. Even if an infected person is only mildly ill, the people they spread it to may become seriously ill or even die, especially if that person is 65 or older with pre-existing health conditions that place them at higher risk. Because of the hidden nature of this threat, everyone should rigorously follow the practices specified in these protocols, all of which facilitate a safe and measured reopening of Texas. The virus that causes COVID-19 is still circulating in our communities. We should continue to observe practices that protect everyone, including those who are most vulnerable.

Please note, public health guidance cannot anticipate every unique situation. Individuals should stay informed and take actions based on common sense and wise judgment that will protect health and support economic revitalization.

Health protocols for museum and library visitors:

- Maintain at least 6 feet separation from other individuals not attending the museum or library together. If such distancing is not feasible, other measures such as face covering, hand hygiene, cough etiquette, cleanliness, and sanitation should be rigorously practiced.
- Self-screen before going into a museum or library for any of the following, new or worsening signs or symptoms of possible COVID-19:
 - Cough
 - Shortness of breath or difficulty breathing
 - Chills
 - Repeated shaking with chills
 - Muscle pain
 - Headache
 - Sore throat
 - Loss of taste or smell
 - Diarrhea
 - Feeling feverish or a measured temperature greater than or equal to 100.0 degrees Fahrenheit.
 - Known close contact with a person who is lab confirmed to have COVID-19
- Wash or disinfect hands upon entering a museum or library and after any interaction with employees, other visitors, or items in the museum or library.
- Consistent with the actions taken by many individuals across the state, consider wearing cloth face coverings (over the nose and mouth) when entering a museum or library, or when within 6 feet of another person who is not a member of the individual's household. If available, individuals should consider wearing non-medical grade face masks.



CHECKLIST FOR OUTDOOR SPORTS PARTICIPANTS

Page 1 of 1

As outlined in Governor Abbott's executive order GA-18, individuals may engage in outdoor sports, provided that the sports do not include contact with other participants, and no more than four participants play the sport at any time. Please note, under executive order GA-18, individuals shall avoid public swimming pools.

In accordance with Governor Abbott's executive order GA-18, the following are the minimum recommended health protocols for all individuals engaging in outdoor sports in Texas. These minimum health protocols are not a limit on the health protocols that individuals may adopt. Individuals are encouraged to adopt additional protocols consistent with their specific needs and circumstances to help protect the health and safety of all Texans.

The virus that causes COVID-19 can be spread to others by infected persons who have few or no symptoms. Even if an infected person is only mildly ill, the people they spread it to may become seriously ill or even die, especially if that person is 65 or older with pre-existing health conditions that place them at higher risk. Because of the hidden nature of this threat, everyone should rigorously follow the practices specified in these protocols, all of which facilitate a safe and measured reopening of Texas. The virus that causes COVID-19 is still circulating in our communities. We should continue to observe practices that protect everyone, including those who are most vulnerable.

Please note, public health guidance cannot anticipate every unique situation. Individuals should stay informed and take actions based on common sense and wise judgment that will protect health and support economic revitalization.

Health protocols for outdoor sports participants:

- Self-screen before playing in an outdoor sport for any of the following, new or worsening signs or symptoms of possible COVID-19:
 - Cough
 - Shortness of breath or difficulty breathing
 - Chills
 - Repeated shaking with chills
 - Muscle pain
 - Headache
 - Sore throat
 - Loss of taste or smell
 - Diarrhea
 - Feeling feverish or a measured temperature greater than or equal to 100.0 degrees Fahrenheit
 - Known close contact with a person who is lab confirmed to have COVID-19
- Special consideration for golf courses:
 - Clean and sanitize golf carts and push carts between uses.
 - Except for members of the same household, no more than one individual per golf cart.
 - Clean and disinfect driving range golf balls between use.
 - Ensure separation of at least 6 feet between golfers on the driving range.



CHECKLIST FOR CHURCHES/PLACES OF WORSHIP

Page 1 of 3

The Office of the Attorney General and the Office of the Governor have been providing joint guidance regarding the effect of executive orders on religious services conducted in churches, congregations, and places of worship. Below is an excerpt from the joint guidance for executive order GA-18, issued on April 27, 2020. The same minimum standard health protocols would apply to funeral services, burials, and memorials.

In accordance with Governor Abbott's executive order GA-18, the following are the minimum recommended health protocols for all churches, congregations, and places of worship in Texas. Churches, congregations, and places of worship may adopt additional protocols consistent with their specific needs and circumstances to help protect the health and safety of all Texans. The same minimum standard health protocols would apply to funeral services, burials, and memorials.

We know now that the virus that causes COVID-19 can be spread to others by infected persons who have few or no symptoms. Even if an infected person is only mildly ill, the people they spread it to may become seriously ill or even die, especially if that person is 65 or older with pre-existing health conditions that place them at higher risk. Because of the hidden nature of this threat, everyone should rigorously follow the practices specified in these protocols, all of which facilitate a safe and measured reopening of Texas. The virus that causes COVID-19 is still circulating in our communities. We should continue to observe practices that protect everyone, including those who are most vulnerable.

Please note, public health guidance cannot anticipate every unique situation. Churches, congregations, and places of worship should stay informed and take actions based on common sense and wise judgment that will protect health and support economic revitalization. Churches, congregations, and places of worship should also be mindful of federal and state employment laws and workplace safety standards.

Health protocols for serving your attendees:

- Strongly encourage the at-risk population² to watch or participate in the service remotely.
- Designate an area inside the facility reserved for the at-risk population, or offer a service for at-risk population attendees only.
- Ensure proper spacing between attendees:
 - Keep at least two empty seats (or six feet separation) between parties in any row, except as follows:
 - Two or more members of the same household can sit adjacent to one another, with two seats (or six feet separation) empty on either side.

² At-risk population are those who are 65 or older, especially those with chronic lung disease; moderate to severe asthma; chronic heart disease; severe obesity; diabetes; chronic kidney disease undergoing dialysis; liver disease; or weakened immune system



CHURCHES/PLACES OF WORSHIP: Page 2 of 3

- Two individuals who are not members of the same household but who are attending together can sit adjacent to one another, with two seats (or six feet separation) empty on either side.
- Alternate rows between attendees (every other row left empty).

Health protocols for your employees and volunteers:

- Train all employees and volunteers on appropriate cleaning and disinfection, hand hygiene, and respiratory etiquette.
- Screen employees and volunteers before coming into the church, congregation, or place of worship:
 - Send home any employee or volunteer who has any of the following new or worsening signs or symptoms of possible COVID-19:

- Cough	- Sore throat
- Shortness of breath or difficulty breathing	- Loss of taste or smell
- Chills	- Diarrhea
- Repeated shaking with chills	- Feeling feverish or a measured temperature greater than or equal to 100.0 degrees Fahrenheit
- Muscle pain	- Known close contact with a person who is lab confirmed to have COVID-19
- Headache	
 - Do not allow employees or volunteers with the new or worsening signs or symptoms listed above to return to work until:
 - In the case of an employee or volunteer who was diagnosed with COVID-19, the individual may return to work when all three of the following criteria are met: at least 3 days (72 hours) have passed *since recovery* (resolution of fever without the use of fever-reducing medications); and the individual has improvement in respiratory symptoms (e.g., cough, shortness of breath); and at least 7 days have passed *since symptoms first appeared*; or
 - In the case of an employee or volunteer who has symptoms that could be COVID-19 and does not get evaluated by a medical professional or tested for COVID-19, the individual is assumed to have COVID-19, and the individual may not return to work until the individual has completed the same three-step criteria listed above; or
 - If the employee or volunteer has symptoms that could be COVID-19 and wants to return to work before completing the above self-isolation period, the individual must obtain a medical professional's note clearing the individual for return based on an alternative diagnosis.



CHURCHES/PLACES OF WORSHIP: Page 3 of 3

- Do not allow an employee or volunteer with known close contact to a person who is lab-confirmed to have COVID-19 to return to work until the end of the 14 day self-quarantine period from the last date of exposure (with an exception granted for healthcare workers and critical infrastructure workers).
- Have employees or volunteers wash or sanitize their hands upon entering.
- Have employees or volunteers maintain at least 6 feet separation from other individuals. If such distancing is not feasible, then other measures including face covering, hand hygiene, cough etiquette, cleanliness, and sanitation should be rigorously practiced.
- Consistent with the actions taken by many churches, congregations, and places of worship across the state, consider having employees, volunteers, and attendees wear cloth face coverings (over the nose and mouth). If available, they should consider wearing non-medical grade face masks.

Health protocols for your facilities:

- Regularly and frequently clean and disinfect any regularly touched surfaces, such as doorknobs, tables, chairs, and restrooms.
- Disinfect seats between services.
- Disinfect any items that come into contact with attendees.
- Make hand sanitizer, disinfecting wipes, soap and water, or similar disinfectant readily available.
- Place readily visible signage to remind everyone of best hygiene practices.
- If a church or place of worship provides meals for employees, volunteers, or attendees, they are recommended to have the meals individually packed for each employee, volunteer, or attendee.
- Maintain rigorous sanitation practices like disinfection, handwashing, and cleanliness when preparing or serving anything edible.



CHECKLIST FOR SINGLE-PERSON OFFICES

Page 1 of 2

As outlined in Governor Abbott’s executive order GA-18, services provided by an individual working alone in an office may operate.

In accordance with Governor Abbott’s executive order GA-18, the following are the minimum recommended health protocols for all single-person offices. Employers may adopt additional protocols consistent with their specific needs and circumstances to help protect the health and safety of all employees and customers.

The virus that causes COVID-19 can be spread to others by infected persons who have few or no symptoms. Even if an infected person is only mildly ill, the people they spread it to may become seriously ill or even die, especially if that person is 65 or older with pre-existing health conditions that place them at higher risk. Because of the hidden nature of this threat, everyone should rigorously follow the practices specified in these protocols, all of which facilitate a safe and measured reopening of Texas. The virus that causes COVID-19 is still circulating in our communities. We should continue to observe practices that protect everyone, including those who are most vulnerable.

Please note, public health guidance cannot anticipate every unique situation. Businesses should stay informed and take actions based on common sense and wise judgment that will protect health and support economic revitalization. Businesses should also be mindful of federal and state employment laws and workplace safety standards.

Health protocols for single-person offices:

- Be trained on all appropriate cleaning and disinfection, hand hygiene, and respiratory etiquette.
- Self-screen before coming into the office:
 - Do not go into the office with new or worsening signs or symptoms of possible COVID-19:
 - Cough
 - Shortness of breath or difficulty breathing
 - Chills
 - Repeated shaking with chills
 - Muscle pain
 - Headache
 - Sore throat
 - Loss of taste or smell
 - Diarrhea
 - Feeling feverish or a measured temperature greater than or equal to 100.0 degrees Fahrenheit
 - Known close contact with a person who is lab confirmed to have COVID-19
 - Do not allow employees with the new or worsening signs or symptoms listed above to return to work until:

In the case of an employee who was diagnosed with COVID-19, the individual may return to work when all three of the following criteria are met: at least 3 days (72 hours) have passed *since recovery* (resolution of fever without the use of fever-reducing medications); and the individual has improvement in respiratory symptoms (e.g., cough, shortness of breath); and at least 7 days have passed *since symptoms first appeared*; or



SINGLE-PERSON OFFICES: Page 2 of 2

- In the case of an employee who has symptoms that could be COVID-19 and does not get evaluated by a medical professional or tested for COVID-19, the individual is assumed to have COVID-19, and the individual may not return to work until the individual has completed the same three-step criteria listed above; or
 - If the employee has symptoms that could be COVID-19 and wants to return to work before completing the above self-isolation period, the individual must obtain a medical professional’s note clearing the individual for return based on an alternative diagnosis.
- Do not allow an employee with known close contact to a person who is lab-confirmed to have COVID-19 to return to work until the end of the 14 day self-quarantine period from the last date of exposure (with an exception granted for healthcare workers and critical infrastructure workers).
- Wash or sanitize their hands upon entering the business.
- Maintain at least 6 feet separation from other individuals. If such distancing is not feasible, other measures such as face covering, hand hygiene, cough etiquette, cleanliness, and sanitation should be rigorously practiced.
- Consistent with the actions taken by many businesses across the state, consider wearing a cloth face covering (over the nose and mouth) upon entering the premises and when using common areas, including elevators, restrooms, break rooms, or stairs. If available, you should consider wearing non-medical grade face masks.

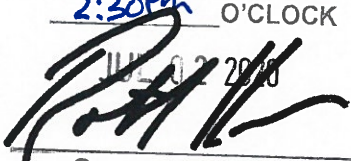
Health protocols for your facilities:

- Regularly and frequently clean and disinfect any regularly touched surfaces, such as doorknobs, tables, chairs, and restrooms.
- Disinfect any items that come into contact with customers.
- Make hand sanitizer, disinfecting wipes, soap and water, or similar disinfectant readily available to employees and customers.
- Place readily visible signage at the business to remind everyone of best hygiene practices.



GOVERNOR GREG ABBOTT

July 2, 2020

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2:30 PM O'CLOCK
JUL 02 2020

Secretary of State

The Honorable Ruth R. Hughs
Secretary of State
State Capitol Room 1E.8
Austin, Texas 78701

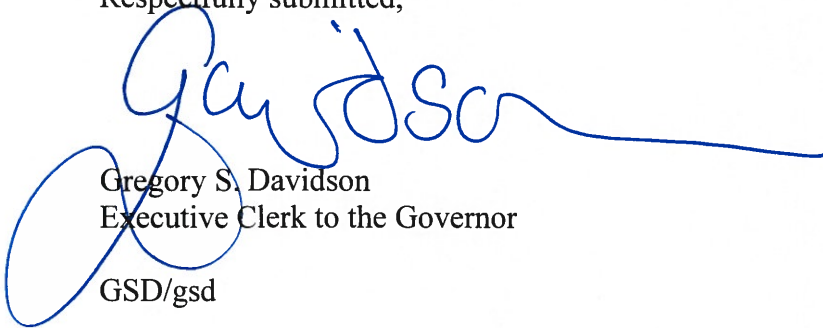
Dear Secretary Hughs:

Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

Executive Order No. GA-29 relating to the use of face coverings during the
COVID-19 disaster.

The original executive order is attached to this letter of transmittal.

Respectfully submitted,


Gregory S. Davidson
Executive Clerk to the Governor
GSD/gsd

Attachment

Executive Order

BY THE
GOVERNOR OF THE STATE OF TEXAS

Executive Department
Austin, Texas
July 2, 2020

EXECUTIVE ORDER
GA 29

Relating to the use of face coverings during the COVID-19 disaster.

WHEREAS, I, Greg Abbott, Governor of Texas, issued a disaster proclamation on March 13, 2020, certifying under Section 418.014 of the Texas Government Code that the novel coronavirus (COVID-19) poses an imminent threat of disaster for all counties in the State of Texas; and

WHEREAS, in each subsequent month effective through today, I have renewed the disaster declaration for all Texas counties; and

WHEREAS, the Commissioner of the Texas Department of State Health Services (DSHS), Dr. John Hellerstedt, has determined that COVID-19 continues to represent a public health disaster within the meaning of Chapter 81 of the Texas Health and Safety Code; and

WHEREAS, I have issued executive orders and suspensions of Texas laws in response to COVID-19, aimed at using the least restrictive means available to protect the health and safety of Texans and ensure an effective response to this disaster; and

WHEREAS, as Texas reopens in the midst of COVID-19, increased spread is to be expected, and the key to controlling the spread and keeping Texans safe is for all people to consistently follow good hygiene and social-distancing practices; and

WHEREAS, due to recent substantial increases in COVID-19 positive cases, and increases in the COVID-19 positivity rate and hospitalizations resulting from COVID-19, further measures are needed to achieve the least restrictive means for reducing the growing spread of COVID-19, and to avoid a need for more extreme measures; and

WHEREAS, I have joined the medical experts in consistently encouraging people to use face coverings, and health authorities have repeatedly emphasized that wearing face coverings is one of the most important and effective tools for reducing the spread of COVID-19; and

WHEREAS, given the current status of COVID-19 in Texas, requiring the use of face coverings is a targeted response that can combat the threat to public health using the least restrictive means, and if people follow this requirement, more extreme measures may be avoided; and

WHEREAS, wearing a face covering is important not only to protect oneself, but also to avoid unknowingly harming fellow Texans, especially given that many people who go into public may have COVID-19 without knowing it because they have no symptoms; and

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2:30pm O'CLOCK

JUL 02 2020

WHEREAS, the “governor is responsible for meeting ... the dangers to the state and people presented by disasters” under Section 418.011 of the Texas Government Code, and the legislature has given the governor broad authority to fulfill that responsibility; and

WHEREAS, failure to comply with any executive order issued during the COVID-19 disaster is an offense punishable under Section 418.173 by fine;

NOW, THEREFORE, I, Greg Abbott, Governor of Texas, by virtue of the power and authority vested in me by the Constitution and laws of the State of Texas, do hereby order the following on a statewide basis effective at 12:01 p.m. on July 3, 2020:

Every person in Texas shall wear a face covering over the nose and mouth when inside a commercial entity or other building or space open to the public, or when in an outdoor public space, wherever it is not feasible to maintain six feet of social distancing from another person not in the same household; provided, however, that this face-covering requirement does not apply to the following:

1. any person younger than 10 years of age;
2. any person with a medical condition or disability that prevents wearing a face covering;
3. any person while the person is consuming food or drink, or is seated at a restaurant to eat or drink;
4. any person while the person is (a) exercising outdoors or engaging in physical activity outdoors, and (b) maintaining a safe distance from other people not in the same household;
5. any person while the person is driving alone or with passengers who are part of the same household as the driver;
6. any person obtaining a service that requires temporary removal of the face covering for security surveillance, screening, or a need for specific access to the face, such as while visiting a bank or while obtaining a personal-care service involving the face, but only to the extent necessary for the temporary removal;
7. any person while the person is in a swimming pool, lake, or similar body of water;
8. any person who is voting, assisting a voter, serving as a poll watcher, or actively administering an election, but wearing a face covering is strongly encouraged;
9. any person who is actively providing or obtaining access to religious worship, but wearing a face covering is strongly encouraged;
10. any person while the person is giving a speech for a broadcast or to an audience; or
11. any person in a county (a) that meets the requisite criteria promulgated by

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2:30pm O'CLOCK

JUL 02 2020

the Texas Division of Emergency Management (TDEM) regarding minimal cases of COVID-19, and (b) whose county judge has affirmatively opted-out of this face-covering requirement by filing with TDEM the required face-covering attestation form—provided, however, that wearing a face covering is highly recommended, and every county is strongly encouraged to follow these face-covering standards.

Not excepted from this face-covering requirement is any person attending a protest or demonstration involving more than 10 people and who is not practicing safe social distancing of six feet from other people not in the same household.

TDEM shall maintain on its website a list of counties that are not subject to this face-covering requirement pursuant to paragraph number 11. The list can be found at: www.tdem.texas.gov/ga29.

Following a verbal or written warning for a first-time violator of this face-covering requirement, a person's second violation shall be punishable by a fine not to exceed \$250. Each subsequent violation shall be punishable by a fine not to exceed \$250 per violation.

Local law enforcement and other local officials, as appropriate, can and should enforce this executive order, Executive Order GA-28, and other effective executive orders, as well as local restrictions that are consistent with this executive order and other effective executive orders. But no law enforcement or other official may detain, arrest, or confine in jail any person for a violation of this executive order or for related non-violent, non-felony offenses that are predicated on a violation of this executive order; provided, however, that any official with authority to enforce this executive order may act to enforce trespassing laws and remove violators at the request of a business establishment or other property owner.

This executive order hereby prohibits confinement in jail as a penalty for the violation of any face-covering order by any jurisdiction.

Executive Order GA-28 is hereby amended to delete from paragraph number 15 the phrase: “, but no jurisdiction can impose a civil or criminal penalty for failure to wear a face covering.”

The governor may by proclamation amend this executive order or add to the list of people to whom this face-covering requirement does not apply.

This executive order does not supersede Executive Orders GA-10, GA-13, GA-17, GA-19, GA-24, GA-25, GA-27, or GA-28 as amended. This executive order shall remain in effect and in full force until modified, amended, rescinded, or superseded by the governor.

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2:30 PM O'CLOCK

JUL 02 2020



Given under my hand this the 2nd
day of July, 2020.

A handwritten signature in black ink that reads "Greg Abbott".

GREG ABBOTT
Governor

ATTESTED BY:

A handwritten signature in black ink that reads "Ruth R. Hughs".

RUTH R. HUGHS
Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2:30pm O'CLOCK

JUL 02 2020

Council Meeting

2.

Meeting Date: 08/11/2020

Department: Infrastructure- Development Services

Pillars: Gold Standard in Customer Service

Milestones: Promote and protect the Addison Way

AGENDA CAPTION:

Present and Discuss **the Town of Addison Facility, Residential Refuse and Recycling Services, and Bulk Trash and Unbundled Brush Collection Request for Proposals.**

BACKGROUND:

The current contract between the Town of Addison and Community Waste Disposal (CWD) for residential refuse and recycling services expires on October 31, 2020. To ensure that Addison residents are receiving the best service, at the direction of the City Council, staff issued Request for Proposals (RFP) #20-155 on June 8, 2020. Additionally, the Town’s facilities contract expired and was in need to be renewed and was included in the RFP.

Four proposals were received and evaluated. One bid was not scored as the proposal was determined to be non-conforming.

Vendor Name	Evaluation Score
Community Waste Disposal	94
Republic	82
Frontier	81

*Waste Management submitted a proposal that was non-conforming because they did not include residential services or recycling for Town facilities.

The selection committee evaluated the proposals based on the following criteria: Experience and Past Performance, Price Proposal, Pre-Proposal meeting attendance, and Customer Service and Quality Assurance. Based on those criteria, CWD was selected by the committee for award of RFP #20-155. Town staff recommends that a contract be awarded to CWD for a five-year term beginning November 1, 2020. The contract can be extended for additional five-year terms with Council's approval if CWD's performance is found to be satisfactory.

CWD will provide collection and removal services of solid waste and recyclable

materials for single-family residential units within the corporate limits of Addison. They will furnish all personnel, labor, equipment, trucks, and all other items necessary to provide these services. Residents will still be able to dispose of their solid waste in one-way plastic garbage bags; no trash receptacle is required. CWD will provide each resident with a choice of a 64-gallon recycle cart or an 18-gallon recycle bin that will need to be placed at the curb on the day of collection. Collection days will remain Mondays and Thursdays.

Household Hazardous Waste (HHW) was removed from their scope and the service will be provided by Town staff.

The current monthly charge per home for refuse and recycling: \$11.78. Total proposed monthly charge per home for refuse and recycling: \$12.56

At the May 12, 2020 Council Meeting, Council directed staff to request pricing for bulk and unbundled brush collection as part of the RFP process. CWD submitted an annual price of \$107,040 for this service. This service is currently being performed by street maintenance staff at an estimated annual cost of \$172,000.

Staff seeks direction from council for the proposed bulk trash and unbundled brush collection proposal.

1. Streets crew continues to collect bulk/brush.
2. Town hires 2 additional full time employees to collect bulk/brush.
3. Town contracts with CWD to collect bulk/brush.

RECOMMENDATION:

Staff requests direction from Council.

Attachments

Presentation - Refuse and Recycling Request for Proposals 2020

Residential Refuse and Recycling

The logo for Addison, featuring the word "ADDISON" in a bold, blue, sans-serif font centered within a white circle. The circle is set against a blue background that is part of a larger graphic design on the right side of the slide, which includes diagonal white lines separating blue and grey areas.

ADDISON

Current Contract

- Current Contract is with Community Waste Disposal (CWD) executed in November 2015
- 5-year term with optional 5-year renewal periods
- May 12, 2020 staff sought direction from Council to renew the contract with CWD or to advertise a Request for Proposals (RFP)
- Council direction was to seek proposals



Request for Proposals (RFP)

RFP Information

- RFP 20-155 was issued June 8, 2020 and included:
 - Trash Only
 - Trash and Recycling
 - Bulk / Unbundled Brush (Alternate)
 - Town Facility Collections
 - Five-year base term with possible additional five-year terms at the Town's sole option
- Pre-Proposal Conference was conducted on June 18, 2020
- Proposals were received and opened on July 7, 2020 from four vendors:
 - Waste Management
 - Frontier Waste Solutions
 - Republic Services
 - Community Waste Disposal (CWD)



Evaluation Process and Scoring

Evaluation Criteria

- Price: 45%
- Experience and Past Performance: 25%
- Customer Service/Quality Assurance: 25%
- Pre-Proposal Meeting Attendance: 5%

Selection committee consisted of seven Town staff members

- Scoring Summary

Vendor Name	Total
CWD	94
Republic	82
Frontier	81

*Waste Management's Proposal was found as non-conforming to the RFP

Cost Summaries

- Cost Summary

Vendor Name	Residential Refuse and Recycling (monthly)	Bulk Trash & Unbundled Brush (monthly)	Bulk Trash & Unbundled Brush (annual)	Total Monthly Cost to Resident with Bulk/Brush	Town Facility Refuse and Recycling (annual)
CWD	\$12.56	\$4.46	\$107,040	\$17.02	\$66,850
Republic	\$18.96	\$5.75	\$138,000	\$24.71	\$74,798
Frontier	\$17.44	\$8.50	\$204,000	\$25.94	\$66,428

- Current Residential Rate for Refuse and Recycling is \$11.78
- Current Price for Household Hazardous Waste (HHW) \$.73
- Combined Total of \$12.51
- HHW was Removed From Scope of Service

Committee's Selected Provider

Community Waste Disposal (CWD)

- Scored 94 on evaluation
- Refuse and Recycling combined
 - \$301,440 annually (\$12.56 monthly)
- Refuse individually
 - \$262,320 annually (\$10.93 monthly)
- Bulk Trash and Unbundled Brush – Alternate Bid
 - \$107,040 annually (\$4.46 monthly)
- Town Facility Refuse and Recycling
 - \$66,428 annually
- CWD proposed annual increase based on Consumer Price Index (CPI), natural gas spot price, and landfill costs
- CWD agreed to CPI adjustment that includes language in the contract that allows CWD to request an increase due to unexpected cost increases



Online Service Form

- Residents will have the ability to submit online service request forms via the CWD or Town website

Mobile App Available for Residents

- Locate Town specific service information
- Submit service requests (with pictures)
- Residents receive emailed confirmation with reference number
- Pay your bill, report a missed service, and receive weather and service alerts



The CWD Mobile App is HERE!

CWD Mobile lets you easily manage your trash and recycling accounts! While on the go, you can:

- ★ Pay your bill
- ★ Schedule service
- ★ View your service schedule
- ★ Report a missed pickup
- ★ Schedule a container repair
- ★ Receive weather and service alerts
- ★ More

It's easy to register with CWD Mobile! Simply specify whether you're a Residential or Commercial/Industrial customer and provide the required information.

Let CWD Mobile help simplify your trash and recycling needs!

Town Owned Facility Services

Facility refuse removal and recycling services at Town facilities

- Town Hall, Service Center, Finance Building, etc.
- Contractor will provide and replace containers
- Estimated annual cost of \$66,428.21
- Current annual cost is \$48,380.70



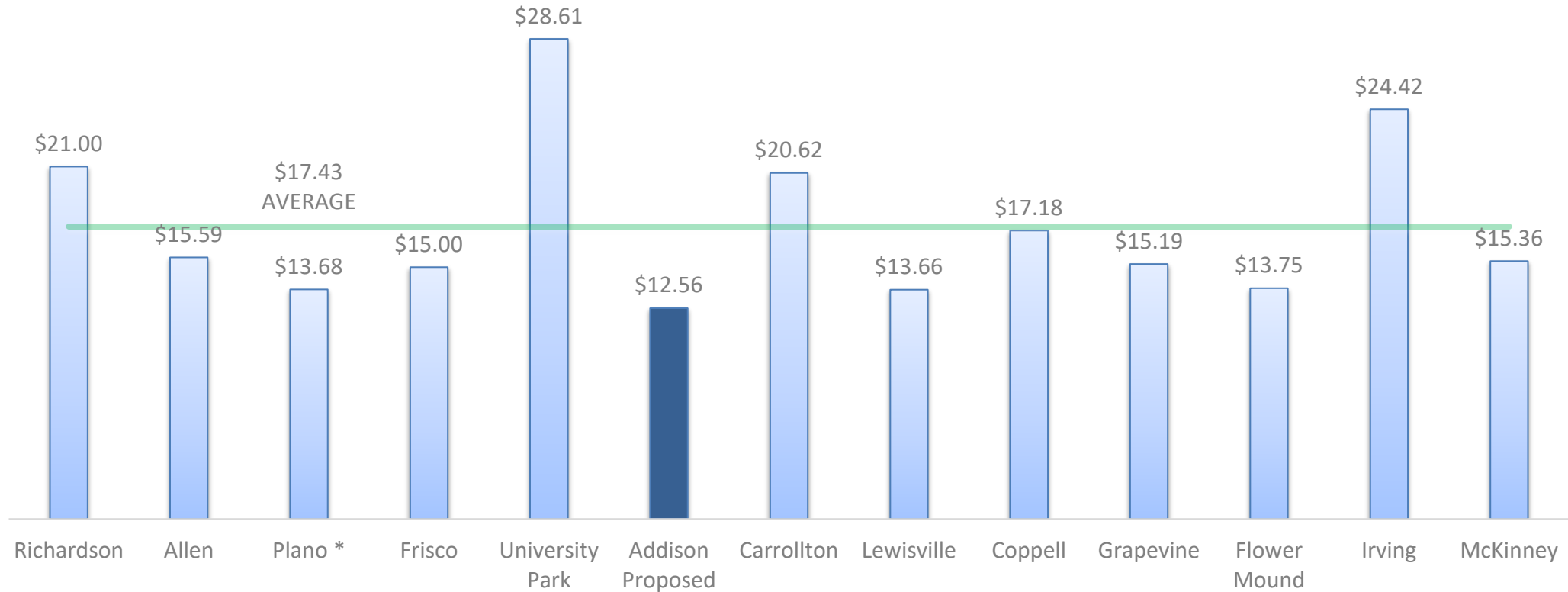
CWD Proposed Cost Breakdown

- CWD Cost Breakdown – Current vs. Proposal Rates

Service	Current Residential Rate	Proposed Residential Rate	Difference
Refuse	\$ 8.48	\$ 9.04	\$ 0.56
Recycling	\$ 3.30	\$ 3.52	\$ 0.22
HHW	\$ 0.73	\$ 0.00	\$ -0.73
Total	\$ 12.51	\$ 12.56	\$ 0.05

Rate Comparison

COMPARISON CITIES



*Plano is an average of different costs for different cart sizes
Farmers Branch does not charge a fee for trash and recycling

Residential Services

ADDISON

Refuse

- Curbside collection to each residence twice weekly
- Curbside, alleyway, or trash closet as appropriate
- All bundled waste and brush
- On-line tracking service required for missed pickups; same day pickup if possible



Recycling

- Curbside collection to each residence once a week (to coincide with one of the refuse collection days)
- Provide both 64-gallon cart and 18-gallon bin; Residents choice
- On-line tracking service required for missed pickups; same day pickup if possible



Bulk Trash & Unbundled Brush - Alternate

Cost

- \$107,040 annually

Scheduled Pickups

- CWD will perform a clean sweep of the Town collecting up to 15 cubic yards (per resident) of bulk and brush one day a week – *no call in required*

On Call Pickups

- CWD will run a brush truck in the Town every week, collecting up to 15 cubic yards (per resident) of bulk and brush from residents that call in



Bulk and Unbundled Brush Options

Town's Options

Current Operations

- Performed by Street Maintenance Personnel
- Comprises 60% of crew workload
- Estimated annual cost of \$172,000

Hire Additional Town Staff

- Require funding two new full-time positions
- \$45,000 in equipment costs, \$120,000 in personnel costs
- Total of \$165,000 in FY 2021

Outsource to CWD

- \$107,040 annual cost

Pros and Cons

Current Operations

- Addison Way of service
- Not an efficient use of Town resources
- No additional cost

Hire Additional Town Staff

- Addison Way of service
- Increase in cost to the Town
- Dedicated team for pickups
- More efficient use of resources

Outsource to CWD

- Slightly lower level of service
- Increase in cost
- More efficient use of resources

Bulk and Brush Collection Cost Breakdown

Options	Monthly per Residence	Annually
Town Current Estimated	\$ 7.17	\$172,000
Town Projected with 2 FTE's	\$ 5.00	\$120,000
CWD Proposed	\$4.46	\$107,040

- Staff is seeking direction from Council on the bulk and unbundled brush options
- Staff will incorporate this direction and develop the contract to bring forward for Council approval

Questions?

Council Meeting

3.

Meeting Date: 08/11/2020

Department: Police

Pillars: Gold Standard in Public Safety

Milestones: Maximize use of cutting edge technology to enhance public safety

AGENDA CAPTION:

Present and Discuss Public Safety Concerns within the Oaks North Neighborhood.

BACKGROUND:

This items was placed on the agenda at the request of Mayor Chow and Council Member Paul Walden. Three members of the public commented during the July 14, 2020 Council Meeting and expressed a desire for improvements in the Oaks North Neighborhood such as additional LED lighting, signage to prevent cut through traffic, tree trimming to enhance visibility and expanded camera coverage. The Oaks North Homeowners Association recently requested the Town install additional street lighting, optical cameras, and signage alerting persons entering the area of camera usage within their neighborhood and adjoining Celestial Park.

Staff will provide an overview of the statistical information regarding crime in the neighborhood and assist Council in discussing the requested changes.

RECOMMENDATION:

Staff requests direction from Council.

Attachments

Presentation - Oaks North Public Safety

Addison Police Department

**Oaks North
Neighborhood Public
Safety Discussion**

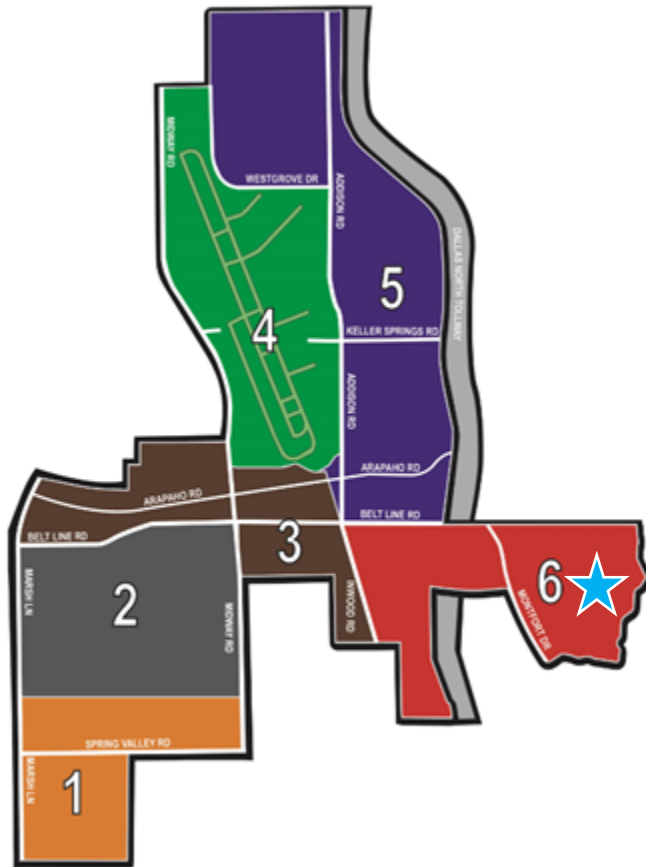
Police Chief Paul Spencer
Presented to Addison City Council on August 11, 2020



Oaks North Neighborhood: Overview



7/1/19 – 7/1/20



- Calls for service: 108
- Self-initiated activity: 721
- Total offense reports written: 3

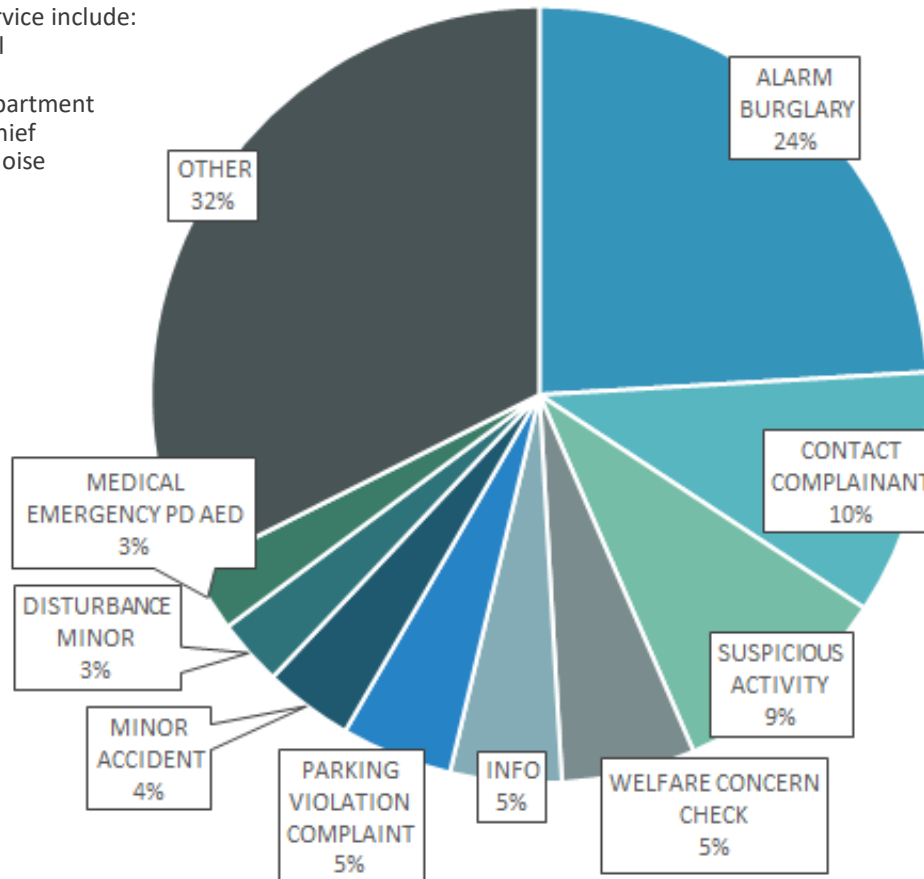
Oaks North Neighborhood: Calls for Service



7/1/19 – 7/1/20

“Other” calls for service include:

- Patrol General
- Theft
- Assist Fire Department
- Criminal Mischief
- Disturbance Noise

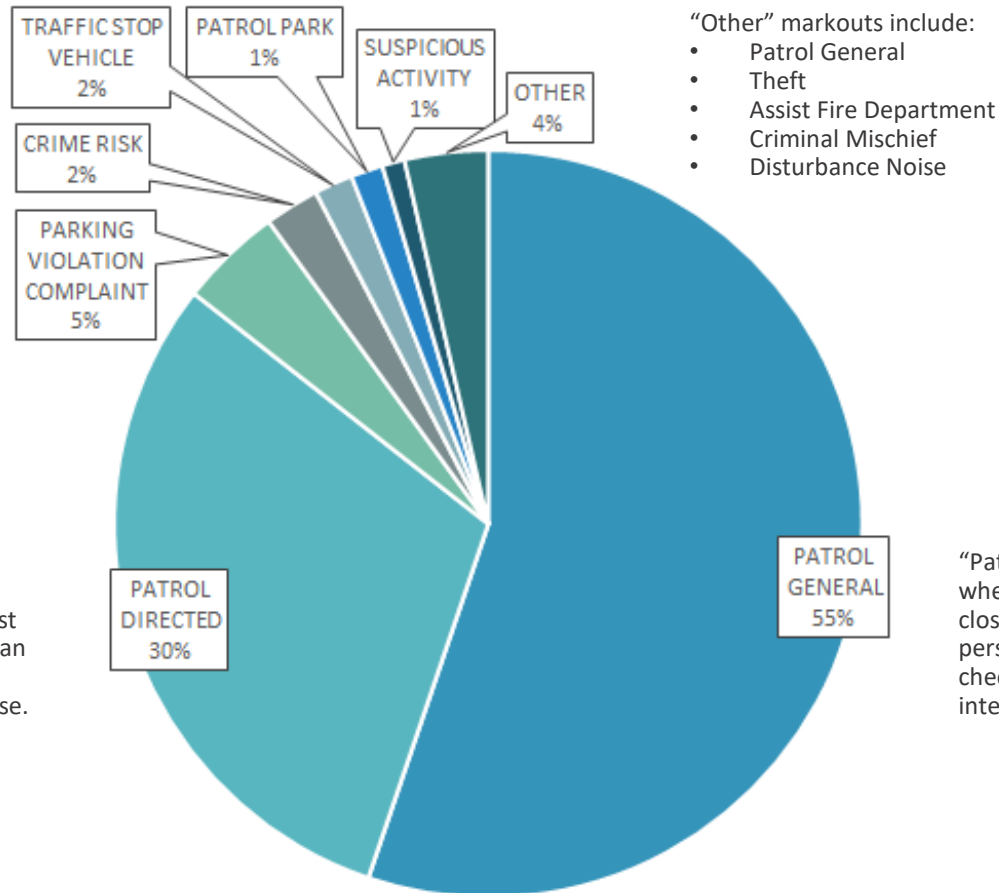


“Contact Complainant” is a general catch-all for citizen inquiries, complaints, and questions about various types of law.

Oaks North Neighborhood: Self-Initiated Activity



7/1/19 – 7/1/20



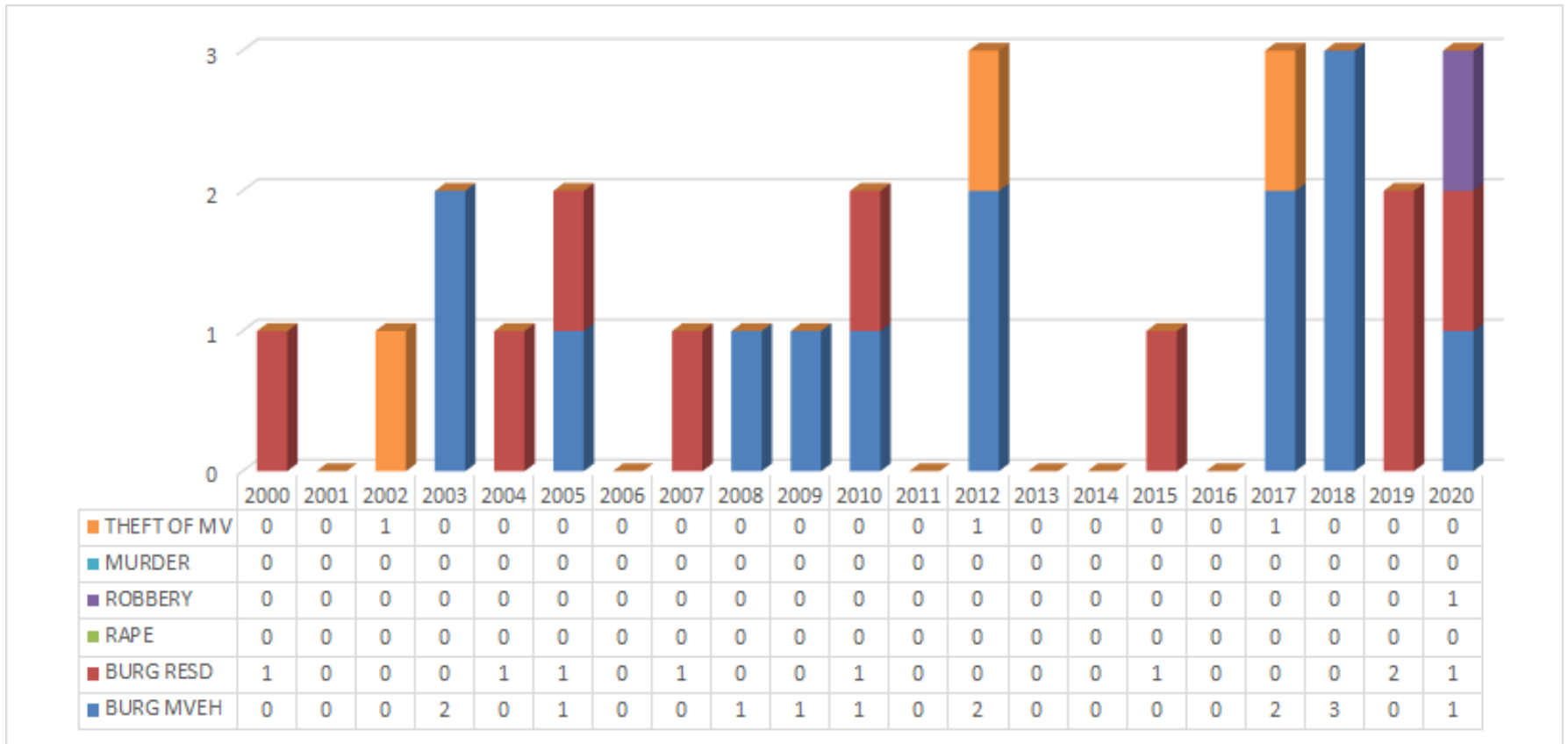
“Patrol Directed” refers to a mandatory directive for officers to check on a house or business at least twice a day for two weeks. These can be submitted by residents going on vacation or detectives working a case.

“Patrol General” is a markout where an officer is looking closer at a house or business, a person or group of people, or checking on a location of interest.

Oaks North Neighborhood: Major Crimes



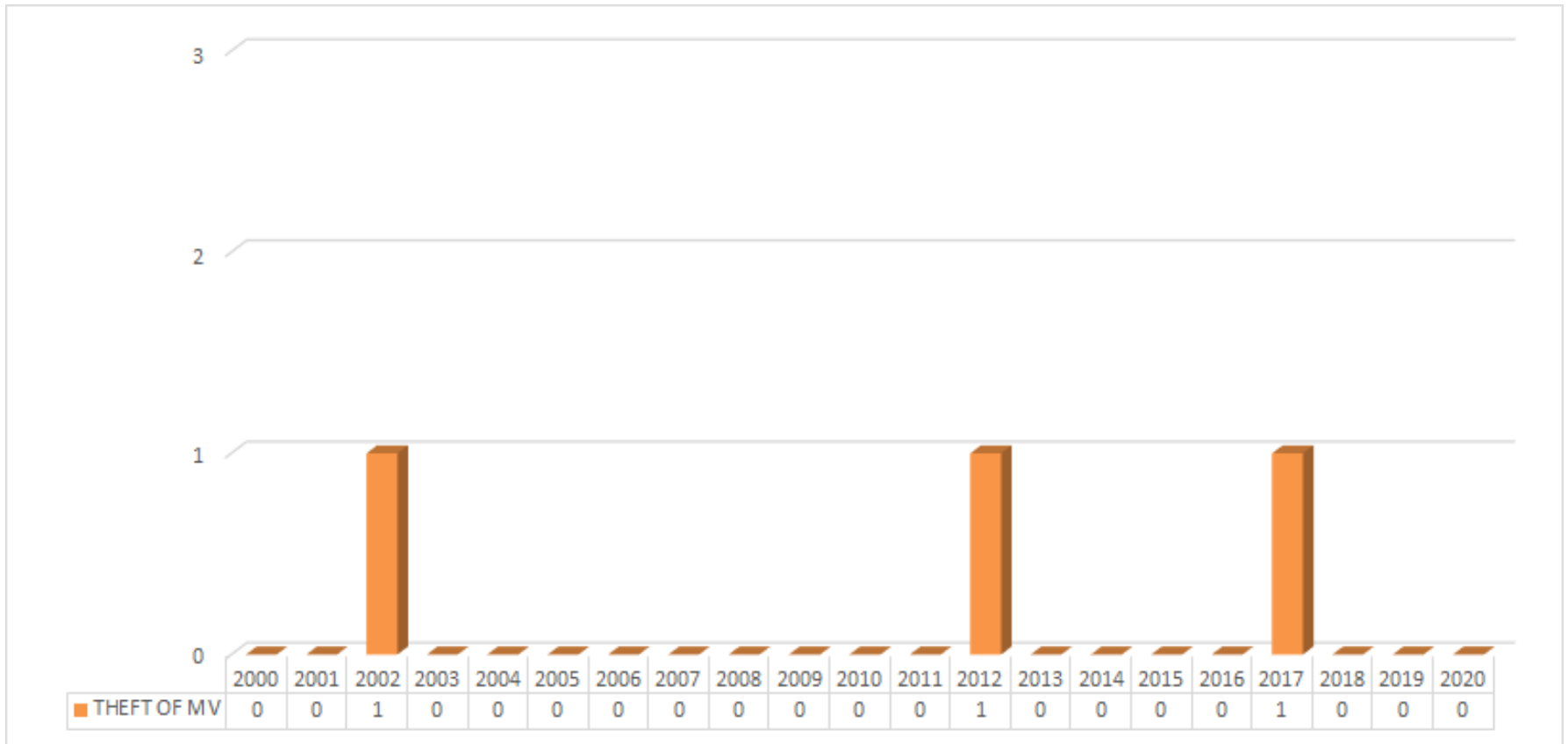
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Oaks North Neighborhood: Theft of Motor Vehicles

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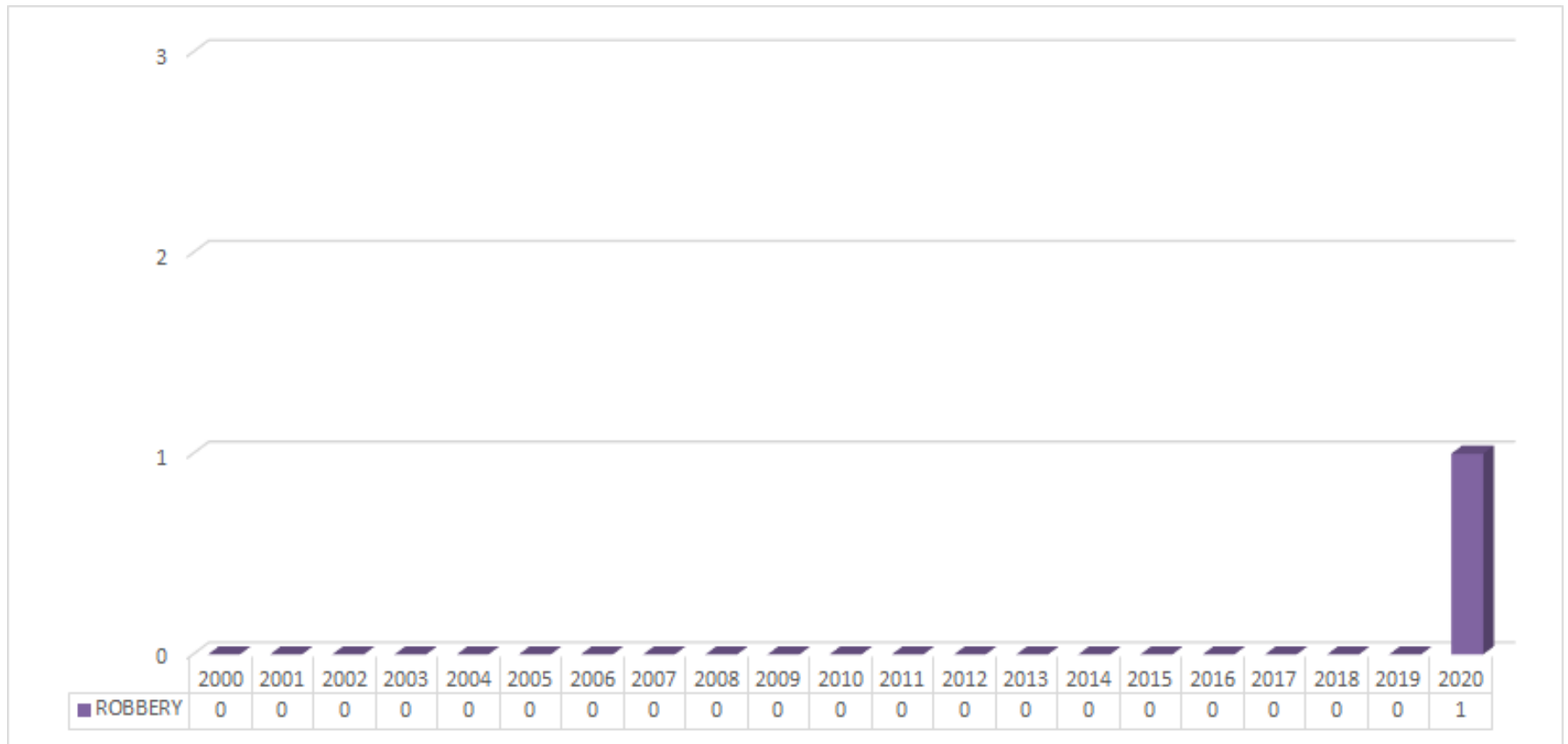
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Oaks North Neighborhood: Robberies



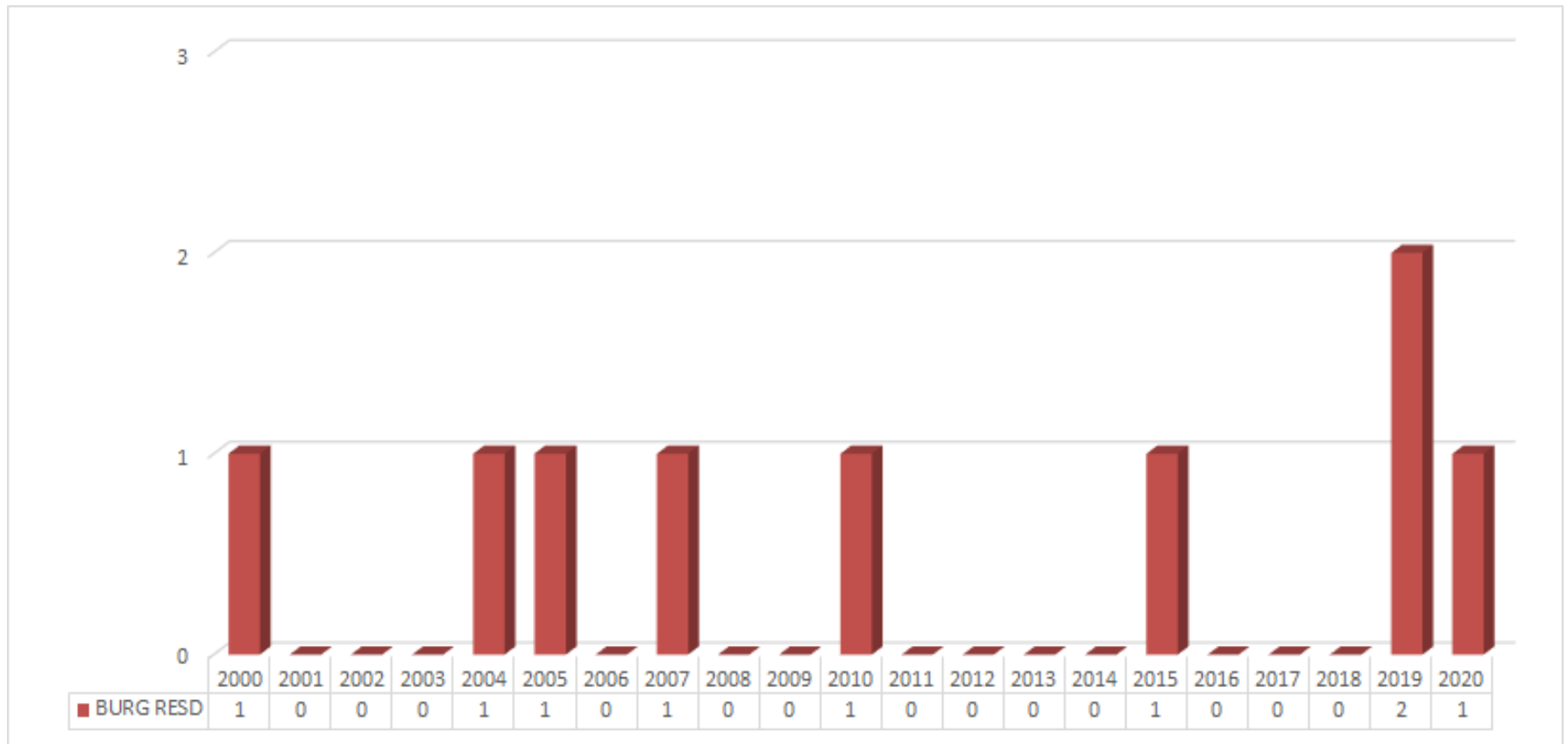
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Oaks North Neighborhood: Burglary of Residences



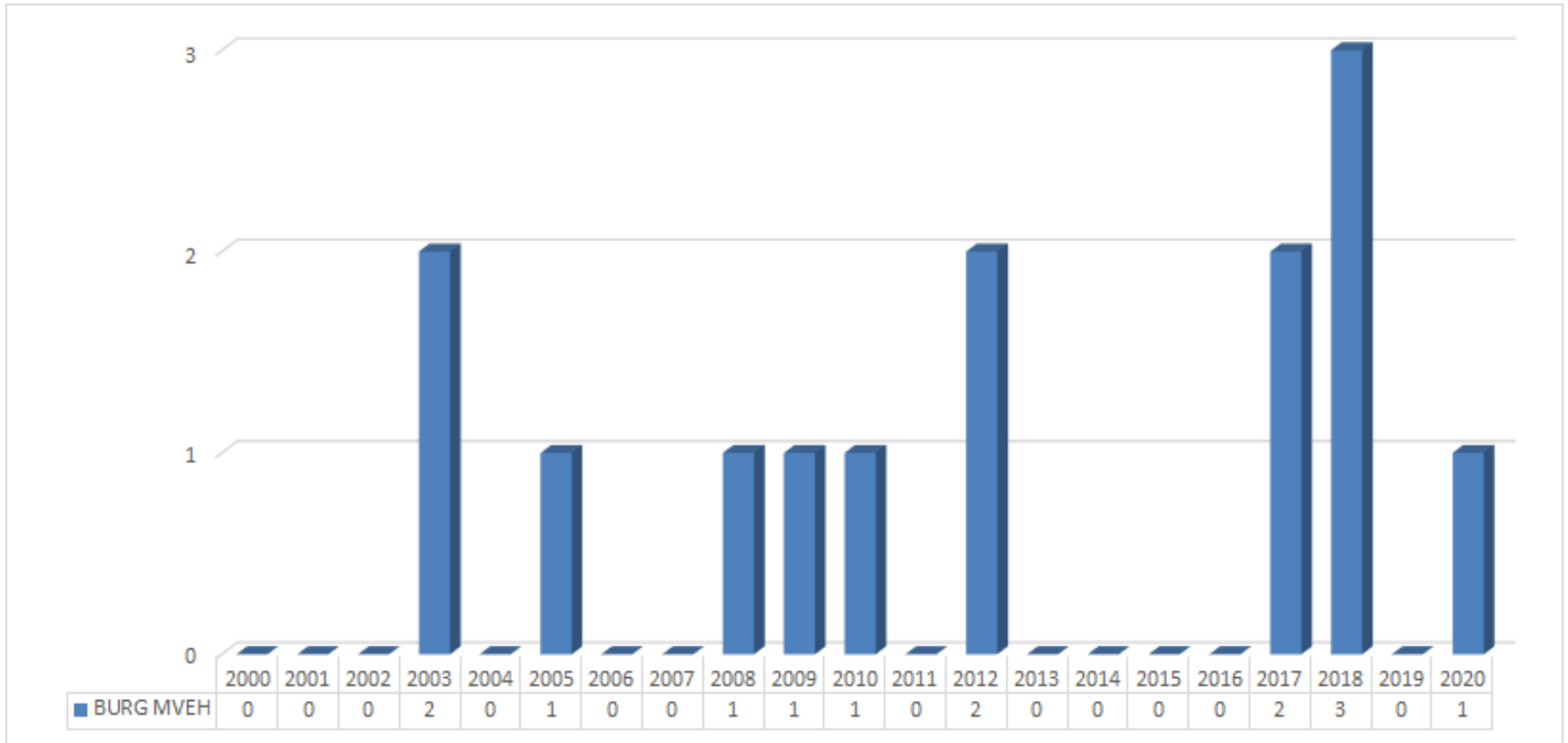
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Oaks North Neighborhood: Burglary of Vehicles



1/1/00 – 7/1/20



Crime prevention efforts by the Addison Police Department:

- License Plate Recognition and Optical Camera program.
- Home security analysis program.
- Community outreach seminars.
- Neighborhood and HOA crime meetings.



Daily patrol officer activities:

- Driving, walking, and riding our parks and trails.
- Vacation watches and directed patrols.
- Suspicious activity markouts on vehicles and people.
- Property checks on open doors and windows, fresh damage, and malfunctioning city equipment.
- Crime risk cards for vehicles left open, unlocked, or with valuables visible.

Crime Prevention: Community Policing



Crime prevention is a partnership with our community.

- The Addison Police Department is committed to preserving order and protecting lives and property.
- Addison's strong sense of community comes from building trust and relationships.
- We are striving to strengthen trust by building a partnership between the police and the community.



Crime Prevention: Community Policing

ADDISON

Prevention is the best way to reduce the chances of theft.

Taking care of your vehicle at home:

- Close garage doors and any gates.
- Remove garage door openers from vehicles parked outside.
- Roll up car windows, take your keys with you, and lock the doors.

Remove commonly targeted items in your vehicle while out and about:

- Any empty or full backpacks, bags, or boxes.
- Items stored under seats or in visible lock boxes.
- Purses, wallets, or bags left on the seat or floor—even for a moment!

Safety tips for your home and neighborhood:

- Light up the entrance to your home and your driveway.
- Consider installing exterior cameras and joining a video sharing website with your neighbors.



Crime Prevention: Suspicious Activity



When to call Addison PD:

- Strange or unfamiliar people walking, biking, or driving in the neighborhood, especially at night.
- People peering into houses or windows.
- Solicitor concerns, questionable contractors, found property, or suspected property damage.
- With any other questions—we are always available to discuss your concerns and work towards a solution.



Oaks North HOA suggestions:

- Additional cameras
- Enhanced lighting
- Additional signage

Staff seeks Council direction on these suggestions.

Crime Prevention: Oaks North Neighborhood



Community Partnership:

- Crime prevention is a partnership between the community and the Addison Police Department.
- We look forward to working together to keep Addison a safe community.



Council Meeting

4.

Meeting Date: 08/11/2020

Department: City Secretary

AGENDA CAPTION:

Consider Action to Approve the Minutes from the June 15, 2020 Special Meeting and the July 14, 2020 Regular Meeting.

BACKGROUND:

The minutes for the June 15, 2020 Special Meeting and July 14, 2020 Regular Meeting have been prepared for consideration.

RECOMMENDATION:

Administration recommends approval.

Attachments

Minutes - June 15, 2020 Regular Meeting

Minutes - July 14, 2020 Regular Meeting

DRAFT

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL WORK SESSION AND SPECIAL MEETING

June 15, 2020

Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254
6:00 p.m. Work Session & Regular Meeting

Present: Mayor Joe Chow; Mayor Pro Tempore Lori Ward; Deputy Mayor Pro Tempore Guillermo Quintanilla; Council Member Tom Braun; Council Member Ivan Hughes; Council Member Paul Walden; Council Member Marlin Willesen.

SPECIAL MEETING & WORK SESSION

Call Meeting to Order: Mayor Chow called the meeting to order.

Present and Discuss the Town's Strategic Plan and Goal Setting for Fiscal Year 2021.

The City Council has been committed to an ongoing program of developing a Strategic Plan and Goal Setting to plan for future growth and improved services to the citizens of the Town. Specific measurable goals, priorities and implementation known as Pillars and Milestones were developed but revisited each year and as factors change, plans are then adjusted. This process has been facilitated by SGR Government Resources. The review process included dividing the City Council into small groups to discuss whether each pillar was still relevant, determine whether progress is still being made on each milestone with adjustments or amendments made as needed. Recommendations were discussed by the entire Council with the following updates suggested.

Pillar One: Entrepreneurship and Business Hub

- *Milestone 1:* Economic Development focus on attracting and retaining entrepreneurship and targeted industry sectors (Information Technology, Financial Services, Engineering/Research/Development Services, Consulting Services, and Creative Services).
- *Milestone 2:* Review Town Ordinances and regulations to modernize them and facilitate

redevelopment.

- *Milestone 3:* Create a specific channel for two-way communication with the business community.

Council noted that the City has done a good job of communicating with our businesses in the wake of the COVID-19 Pandemic. All the milestones were considered to still be relevant. No recommended changes.

Pillar Two: Excellence in Asset Management

- *Milestone:* Implement the Asset Management Plan **in accordance with the Asset Management Policy, utilizing information systems.**

Council consensus was that a lot of progress had been made on this pillar. Since the Asset Management Plan has begun with a policy approved and program implemented this milestone be amended to reflect progress made by addition of “*in accordance with the Asset Management Policy, utilizing information systems*” as noted above.

Pillar Three: Excellence in Transportation Systems

- *Milestone 1:* Promote Silver Line Development.
- *Milestone 2:* Improve all modes of transportation with infrastructure in acceptable condition and well- maintained.

No suggested updates were presented. A request was made to provide updates to airport and Silver Line development initiatives.

Pillar Four: Gold Standard in Customer Service

- *Milestone: Promote and protect Addison Way.*

No suggestions or amendments were made. The Council believed that much progress was being made on this pillar and the milestone. Continued progress in improving the speed of responsiveness was requested.

Pillar Five: Gold Standard in Financial Health

- *Milestone: Continue development and implementation of Long-Term Financial Plan.*

No suggestions or amendments were made. The Council believed that much progress was being made on this pillar and the milestone.

Pillar Six: Gold Standard in Public Safety

- *Milestone: Maximize use of cutting-edge technology to enhance public safety.*

No suggestions or amendments were made. The Council believed that much progress was being

made on this pillar and the milestone; however, there is a perception in some neighborhoods that they are not as safe as they were in the past.

Pillar Seven: Optimize Addison Brand

- *Milestone:* Define and promote Addison Identity.

No suggestions or amendments were made. The Council believed that much progress was being made on this pillar and the milestone

Adjourn Meeting

There being no further business to come before the Council, Mayor Chow adjourned the meeting.
TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma G. Parker, City Secretary

DRAFT

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL WORK SESSION & REGULAR SESSION

July 14, 2020

**Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254
5:30 p.m. Executive Session, Work Session & Regular Meeting**

The Addison City Council, using electronic medium, conducted its Regularly Scheduled Meeting on Tuesday, July 14, 2020. The meeting was not conducted at Town Hall. A temporary suspension of the Open Meetings Act to allow telephone or videoconference public meetings has been granted by Governor Greg Abbott. Members of the public were entitled to participate; detailed instructions were provided, and the meeting was live streamed on Addison's website at www.addisontexas.net.

Present: Mayor Joe Chow; Mayor Pro Tempore Lori Ward; Deputy Mayor Pro Tempore Guillermo Quintanilla; Council Member Tom Braun; Council Member Ivan Hughes; Council Member Paul Walden; Council Member Marlin Willesen.

Mayor Chow led the Pledge of Allegiance.

1. **Call Meeting to Order:** Mayor Chow called the meeting to order.

2. **Closed (executive) session of the Addison City Council pursuant to:**

- **Section 551.071, Tex. Gov. Code, to conduct a private consultation with its attorney pertaining to:**
 - **Bigelow Arizona TX-344, Limited Partnership D/B/A Suites of America and/or Budget Suites of America v. Town of Addison, Cause No. DC-19-09630, 191st Judicial District, Dallas County District Court.**

Mayor Chow closed the Open Session to convene the City Council into Closed Executive Session at 5:45 p.m.

3. **RECONVENE INTO REGULAR SESSION: In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider action, if any, on matters discussed in Executive Session.**

Mayor Chow reconvened the City Council into Open Session at 6:00 p.m. There was no action taken as a result of Executive Session.

WORK SESSION

4. **Present and Discuss Any Action Necessary or New Information Regarding the COVID-19 Pandemic.**

City Manager Wes Pierson advised that on July 2nd Governor Abbott issued an Executive Order requiring all Texans to wear a face covering over the nose and mouth in public spaces in counties with 20 or more positive COVID-19 cases, with few exceptions. Mr. Pierson advised that the Governor also issued a Proclamation giving mayors and county judges the ability to impose restrictions on some outdoor gatherings of over ten people, and making it mandatory that people cannot be in groups of more than ten and that social distancing is required.

Mr. Pierson said that on June 26th Governor Abbott issued an Executive Order limiting certain businesses and services as part of an effort to contain the spread of the virus. This order closed bars at noon on June 26th and reduced restaurant capacity from the previously allowed 75 percent to 50 percent effective June 29th. Take-out and delivery are still allowable. Mr. Pierson reviewed the established measures all residents should take to help reduce the spread of COVID-19.

Mr. Pierson reviewed that the closure of Town facilities for public access has been extended except by appointment. The Addison Athletic Club is open at 25 percent capacity including the swimming pool. Council Member Willesen inquired when the pool might begin to have Sunday operating hours. Mr. Pierson responded that the Town has not been able to hire the normal number of lifeguards. Staff researched pool usage and found that the two lowest usage days are Sunday and Monday so those are the days Staff decided to close the pool. Council Member Hughes asked if that was the reason non-member guests are not allowed to use the pool at this time. Mr. Pierson responded that the lifeguards also must clean the pool area and it would be difficult to handle all their duties if there was more than 25 percent capacity. Mayor Chow added that he is okay with allowing only 25 percent capacity at the pool.

5. **Present and Discuss Updated Projections of the Potential Financial Impacts to the Town of Addison Due to the Economic Disruption Related to the COVID-19 Pandemic.**

Chief Financial Officer Steven Glickman presented this item. He reviewed that on April 14th staff provided a presentation to Council regarding the potential financial impacts COVID-19 may have for the Town for Fiscal Years 2020 and 2021. He advised this presentation updates the previous revenue and expenditure assumptions. Mr. Glickman reviewed that the primary concerns for the Town include sales taxes, mixed beverage taxes, hotel occupancy taxes and for the Airport, fuel flowage fees and rental income. He noted the historical effect of other crisis' on sales tax and other revenues.

Mr. Glickman provided Staff's initial assumptions for the potential revenue impacts for fiscal year 2021 including a possible 10 percent decrease in sales taxes, a 25 percent decrease in hotel occupancy taxes, and 4.5 percent loss in Airport rental revenue. A 29 percent decrease in fuel flowage fees is anticipated. There is no significant impact in the Utility Fund. An overall recovery could take 18-36 months.

Mr. Glickman provided an analysis for the General Fund, the Airport Fund, Hotel Fund, Utility Fund that included the Original Budget for 2019-2020, the April estimate, the July revised estimate and a 2020-2021 Planning estimate. The analysis provided details of revenue sources, ending fund balances and any surplus or shortages anticipated.

Mr. Glickman advised that a reduction in expenditures, including salaries and supplies, have helped to mitigate impacts to fund balances. He noted that a TxDOT land reimbursement offset some revenue losses for the Airport.

Mayor Chow inquired what the hotel occupancy rate has been. Mr. Glickman responded it is approximately 34 percent and sometimes as much as 50 percent. There was a brief discussion regarding property tax assumptions. Mr. Glickman noted that the certified tax role will be available on July 24th.

Mayor Chow remarked that this report is more positive for the Town than what was anticipated in April.

6. Present and Discuss Public Nuisance Concerns Along the White Rock Creek Park Trail.

Chief of Police Paul Spencer presented this item. He advised that due to some residents' perceived safety and nuisance concerns related to the White Rock Creek Park Trail specifically near the Belt Line Road bridge he, along with Parks and Recreation Director Janna Tidwell and Director of Public Works and Engineering Shannon Hicks, visited the area. Specific concerns include a homeless persons' encampment under the bridge, as well as trash and sanitation issues. Chief Spencer added that the area directly underneath the bridge is within the Dallas city limits. This prohibits the Town of Addison from enforcing public nuisance ordinances. He advised that the City of Dallas has been moderately responsive when contacted about trash removal and encampments.

Chief Spencer presented some possible options the Town might consider. Option 1 included adding trail and under bridge lighting, adding optical cameras along the pathway, and removal of vegetation to improve visibility and reduce seclusion. Option 2 included planting a type of screening shrubs underneath the bridge that would discourage people from climbing through them. Option 3 would be to install a physical barrier, such as a fence. Pros and cons for each option were discussed.

Council Member Willesen suggested a wrought iron fence might be installed on the Addison side of the property. Discussion followed as to possible flooding that occurs in this area and how a

fence might impede the flow of water. There was also a discussion of adding riprap underneath the bridge, making it more uncomfortable for campers. Mayor Chow mentioned past discussions regarding interlocal agreements with the City of Dallas for Addison to be responsible for a portion of Belt Line Road. Except for Council Member Willesen who prefers wrought iron fencing, Council members spoke in favor of obtaining cost estimates for lighting and cameras (Option 1), noting these would provide a perception of safety. Council Member Walden added that cameras would also provide an investigative tool in the event a crime occurs in that area.

7. **Present and Discuss Proposed Updates to the Town's Naming and Recognition and Public Art Policies.**

Director of Parks and Recreation Janna Tidwell presented this item. She provided a historical overview of the current Naming and Recognition Policy and discussed Staff's review of the policy and areas that Staff recommended be addressed.

Ms. Tidwell advised that the proposed updated policy has been reorganized and includes recommended policy changes regarding Naming Criteria, Guidelines, and Process. Proposed new sections for naming recognition and recognition of donations not associated with naming are included. She noted that the section for removal of a name is included with no changes. Council Member Willesen reviewed some additional types of recognitions that Ms. Tidwell may want to consider.

Ms. Tidwell also presented information about the Town's Public Art Policy discussed recommended changes to this policy as well. Ms. Tidwell stated that the proposed changes had been reviewed by The Addison Arbor Foundation.

Council Member Hughes suggested that existing policies for specific facilities, such as the Spruill Dog Park and the Water Tower Theatre be referenced within these updated policies. Ms. Tidwell advised after being updated with Council's suggestions, the policies will be presented for Council consideration at a future meeting.

8. **Present and Discuss the Timing for Rescheduling the Special Charter Amendment Election Originally Planned for May 2, 2020.**

Director of Development Services Charles Goff presented this item. He reviewed that earlier this year the Council called a Special Charter Amendment Election to be held on May 2, 2020. Due to the COVID-19 pandemic Governor Greg Abbott issued a proclamation allowing political subdivisions to move scheduled May elections to November 3, 2020. In April, the City Council voted to postpone the election without specifying a new date.

Mr. Goff provided information to the Council regarding having the election on November 3rd and presented the possible option of waiting until May 1, 2021. He reviewed pros and cons of both options; however, it was noted that there is some uncertainty on procedural steps to be taken. Attorney Brenda McDonald advised she will work with the City Secretary to determine exactly

what the Town's options are. Council discussed the factors involved with having the election on either of the proposed dates. The final consensus was for the City Attorney to make a request to the Governor to wait until May 2021 to have the election, but if that permission is not granted, the election will be held on November 3, 2020. City Manager Pierson advised the matter will be back on the August 11th agenda for a final decision.

REGULAR MEETING

Announcements and Acknowledgements regarding Town and Council Events and Activities-Discussion of Events/Meetings

Public Comment: *The City Council invites citizens to address the City Council on any matter, including items on the agenda, except public hearings that are included on the agenda. Comments related to public hearings will be heard when the specific hearing starts. Citizen comments are limited to **three (3) minutes**, unless otherwise required by law. To address the Council, please fill out a **City Council Appearance Card** and submit it to a staff member prior to the Public Comment item on the agenda. The Council is not permitted to take any action or discuss any item not listed on the agenda. The Council may choose to place the item on a future agenda.*

City Secretary Irma Parker advised that three citizens wished to address the City Council, one via email and two via telephone, all Oaks North Subdivision residents who expressed concern about the Subdivision's safety, security and policing concerns/issues.

- Email: Jim Robinson, 14795 Buckingham Court;
- Via Telephone:
 - Bob Heckman, 14776 Maiden Court; and
 - Kathleen Weeks, 14766 Maiden Court.

Mayor Chow directed Staff to place the Oaks North Subdivision concerns addressed tonight to the August 11th work session agenda for further discussion.

Consent Agenda: *All items listed under the Consent Agenda are considered routine by the City Council and will be enacted by one motion with no individual consideration. If individual consideration of an item is requested, it will be pulled from the Consent Agenda and discussed separately.*

9. **Consider Action to Approve the Minutes for the June 23, 2020 Work Session and Regular Meeting.**

10. **Consider Action on a Resolution to Approve Acceptance of an Airport Improvement Program (AIP) Grant Offer from the Texas Department of Transportation (TxDOT) in the Amount of \$1,475,000 for Changing the Runway Designation from 15/33 to 16/34 and Applying Surface Preservation Treatments to the Runway, Taxiway Alpha, and the Asphalt Connecting Taxiways Charlie, Delta, Echo, Foxtrot, Golf, Hotel, and Juliet; Designating TxDOT its Agent for Receiving and Disbursing Funds; Acknowledging that Addison will be Responsible for a Potential Estimated Contribution and to Authorize the City Manager to Execute all Necessary Documents to Accept the Grant from TxDOT.**

11. **Consider Action to Approve a Resolution Accepting a Donation Deed from Urban Intownhomes, Inc. for Property Located Adjacent to the Addison Grove Development.**
12. **Consider Action to Approve a Resolution to Adopt the Town of Addison's Strategic Pillars and Milestones for Fiscal Year 2021.**
13. **Consider Action to Approve Change Order #2 to the Contract with JC Commercial, Inc. for Costs Related to Unforeseen Site Conditions for the United States Customs and Border Protection Facility at Addison Airport and Authorize the City Manager to Execute the Change Order in an Amount Not to Exceed \$141,881.10.**

Mayor Chow asked if there were any requests to remove an item from the Consent Agenda for separate discussion. Council Member Quintanilla requested to remove Item 13.

MOTION: Council Member Braun moved to approve Consent Agenda Items 8-12 as submitted. Mayor Pro Tempore Ward seconded the motion. Motion carried unanimously.

***** Consent Item 13 *****

Council Member Quintanilla referenced a Council question submitted and responded to by staff concerning the need for steel rail supports around the elevator that were not included in the original design. He stated that he would like to understand how and when the deficiency had been identified, and how to ensure that something like this does not happen again. City Manager Pierson read staff's response. He asked Airport Director Joel Jenkinson to elaborate on the issue. Mr. Jenkinson advised that in 2019 when the contractor submitted plans for the elevator, it was for a different elevator than was specified in the design documents. The structural engineer on the job noted that additional steel rail supports are needed due to the use of a different elevator. Council Member Braun expressed his concerns about this situation and made a motion to postpone this item for more information.

MOTION: Council Member Braun moved to Postpone this item to the August 11, 2020 Council meeting. Mayor Pro Tempore Ward seconded the motion. Motion carried unanimously.

Resolution No. R20-051: Approve Acceptance Airport Improvement Program Grant

Resolution No. R20-052: Accept Donation Deed, Urban Intownhomes, Inc.

Resolution No. R20-053: Adopt Strategic Pillars and Milestones FY2021

Regular Items

14. **Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance Amending Article XIX. UC Urban Center District Regulations by Revising Section 2.C. Conditional Uses. Case 1802-Z/Town of Addison.**

Charles Goff, Director of Development Services presented this item. He advised this will amend the Urban Center District Regulations by adding overnight pet boarding with a special use permit regardless of the size of the property. Mr. Goff advised that the ordinance for pet boarding currently requires five acres of property, noting that it was written several years ago when outdoor pet boarding was the standard.

Mayor Chow opened and closed the Public Hearing with no one wishing to speak.

MOTION: Council Member Willesen moved to approve this item. Council Member Hughes seconded the motion. Motion carried unanimously.

Ordinance No. O20-32: Amend Article XIX. UC Urban Center District Regulations

15. **Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance Changing the Zoning on Property Located at 15530 Quorum Drive, Which Property is Currently Zoned Urban Center, UC, by Approving a Special Use Permit for Overnight Pet Boarding. Case 1803-SUP/Pappy's Pet Lodge.**

Charles Goff, Director of Development Services presented this item and provided the location. He advised that Pappy's Pet Lodge has been operating as a pet daycare and grooming facility since 2014. They would like to add overnight pet boarding to their operations. There would be no structural or floor plan changes. Additional stacked kennels would be added to the existing daycare room.

Mayor Chow opened and closed the Public Hearing with no one wishing to speak.

MOTION: Council Member Willesen moved to approve this item. Deputy Mayor Pro-Tempore Quintanilla seconded the motion. Motion carried unanimously.

Ordinance No. O20-33: Zoning Change 15530 Quorum Drive SUP Pappy's Pet Lodge

16. **Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance Changing the Zoning on Property Located at 3765 Belt Line Rd, Which Property is Currently Zoned PD, Planned Development, Through Ordinance O92-037, by Approving a Special Use Permit for a New Restaurant. Case 1813-SUP/Duck Donuts.**

Charles Goff, Director of Development Services presented this item. He advised that Duck Donuts has been operating at this location in the Addison Plaza Shopping Center since 2019 as a takeout retailer. They would now like to add tables and chairs so that customers can consume food on the premises. This would change the use from retail to restaurant, requiring a special use permit. Mr. Goff added there is sufficient on-site parking.

Mayor Chow opened and closed the Public Hearing with no one wishing to speak.

MOTION: Council Member Hughes moved to approve this item. Council Member Willesen seconded the motion. Motion carried unanimously.

Ordinance No. O20-34: Zoning Change 3765 Belt Line Rd. SUP Duck Donuts

17. **Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance Changing the Zoning on Property Located at 5290 Belt Line Road, Suite 105, Which Property is Currently Zoned PD, Planned Development, Through Ordinance O19-22, by Approving a Special Use Permit for a New Restaurant with the Sale of Alcoholic Beverages for on Premises Consumption Only. Case 1814-SUP/Mendocino Farms.**

Charles Goff, Director of Development Services presented this item. He provided the location for this proposed restaurant, noting it has 3,795 square feet including an outdoor patio area. The restaurant is considered a fast-casual sandwich shop with a focus on healthy foods. Mr. Goff advised there is sufficient parking on-site. Mr. Goff stated that the Planning and Zoning Commission voted on June 16, 2020 to recommend approval of a special use permit for a new restaurant with the sale of alcoholic beverages with the condition that the applicant shall not use any terms or graphic depictions that relate to alcoholic beverages in any exterior signage.

Mayor Chow opened the Public Hearing. Chris Konecny, Mendocino Farms' Director of Construction and Design advised that this is an upscale fast-casual restaurant that will serve chef inspired sandwiches and salads and will be take-out friendly scheduled for an early 2021 opening. With no other comments, Mayor Chow closed the Public Hearing.

MOTION: Council Member Walden moved to approve this item. Council Member Willesen seconded the motion. Motion carried unanimously.

Ordinance No. O20-35 Zoning Change 5290 Belt Line Rd. SUP Mendocino Farms

18. **Present, Discuss, and Consider Action on a Resolution Approving an Amendment to License Agreement, Between the Town of Addison and Oncor Delivery Company, LLC to Establish Standards for Construction of Improvements and Installation of Landscaping in the Redding Trail License Area, and Authorize the City Manager to Execute the Amendment.**

Janna Tidwell, Director of Parks and Recreation presented this item. She reviewed that in January 2020 Oncor Delivery Company presented plans to replace transmission towers along their easement located in the Redding Trail and Redding Trail Dog Park corridor. The Town and Oncor currently have license agreements regarding use of the property. Additionally, there is a Hike, Bike and Trail Guidelines document dated 2014 that includes specific height requirements for ornamental trees and does not allow for other amenities that currently exist in the corridor. Oncor agreed to work with Addison on removal and replacement of trees and other landscaping, and the overall recovery of the area following the tower replacement. Ms. Tidwell reviewed the details of

each party's responsibility as stated in the Amendment. She added that she and Oncor representative Kita Hobbs have personally walked the corridor and have identified the trees that will be removed, and a Tree Survey was prepared. Council Member Willesen inquired about an art sculpture on the property. Ms. Tidwell advised that it will remain in place.

Ms. Tidwell advised that the license agreement for the Redding Trail Dog Park will be revised to allow the Trail to extend and connect to the future Midway Trail. She advised that staff is in the process of preparing the required construction documents for the extension that Oncor will review for approval. This item will come to Council later. She noted that during this project the dog park will have a portion that will remain open for use except during removal of the towers in that area.

In addition to the agreed to items, Ms. Tidwell advised that Oncor identified two Live Oak trees located in the median on Belt Line Road under the transmission lines. Trees are not allowed directly below the lines so during this project Oncor will have these trees removed as well. Ms. Tidwell advised staff is researching whether the trees can be relocated.

Ms. Tidwell reviewed the schedule for this project that will begin July 15 with vegetation removal and be completed by the end of November 2020.

MOTION: Council Member Willesen moved to approve this item. Mayor Pro-Tempore Ward seconded the motion. Motion carried unanimously.

Resolution No. R20-054: Amend Oncor License Agreement Redding Trail

19. Present, Discuss and Consider Action on a Resolution Directing the City Manager to Calculate the Voter-Approval Tax Rate of the Town of Addison in the Manner Provided for a Special Taxing Unit as Authorized by the Texas Tax Code Section 26.04(C-1).

Chief Financial Officer Steven Glickman presented this item. He reviewed that Senate Bill 2 (S.B. 2), the Texas Property Tax Reform and Transparency Act of 2019, lowered the amount an adopted tax rate can increase. Prior to this tax bill, any rate adopted that exceeded an 8 percent increase over the prior year's rate, would trigger the ability of the citizens to petition for an election to "roll back" the tax rate. S.B. 2 has lowered this triggered rate from 8 percent to 3.5 percent and requires a city to hold an automatic election (Texas Tax Code 26.07).

Mr. Glickman advised that an exception to the lowered 3.5 percent voter-approval tax rate and the automatic election is offered when a city is located in an area declared a disaster area during the current tax year by the Governor or by the President of the United States (Texas Tax Code 26.04(C-1)). This exception was met on March 13, 2020 when President Trump declared a national emergency and when Governor Abbott declared a state of emergency for every county in Texas the same day. Approval of this resolution gives the Town the ability to calculate the voter-approval rate in the manner provided for a special taxing unit, which sets the voter-approval tax rate at 8 percent instead of 3.5%. It was stated that while this provides the Town with the option to exceed the typical 3.5% voter-approval tax rate, it does not require the Council to adopt a higher tax rate.

It was noted that this action allows the Town flexibility when determining the budget needed for future fiscal years.

Mr. Glickman advised that the designated officer may continue calculating the voter-approval tax rate for the Town of Addison in the manner provided until the earlier of the following:

1. The second tax year in which the total taxable value of the taxable property as shown on the appraisal roll for the Town of Addison exceeds the total taxable value of the taxable property on January 1 of the tax year in which the disaster occurred; or
2. The third tax year after the tax year in which the disaster occurred.

Mr. Glickman explained that if this resolution is adopted, the 8 percent may be “banked” and what is not used the first year may be used in the following two years to calculate the tax rate.

In response to a question from Council Member Hughes, Mr. Glickman reviewed that if there is no resolution, the timeline for scheduling the public hearings, advertisement for budget and tax rate hearings and adoption of both would need to occur by August 17th. If an election is required, it would be called for the November 3rd general election date.

MOTION: Council Member Walden moved to approve this item. Deputy Mayor Pro-Tempore Quintanilla seconded the motion. Motion carried unanimously.

Resolution No. R20-055: Direct City Manager to Calculate Voter-Approval Tax Rate

20. Present, Discuss, and Consider Action on CARES Act Programs.

Bill Hawley, Assistant to the City Manager, presented this item. He reviewed that during the June 9, 2020 meeting, staff briefed Council on the ability to participate in a CARES Act reimbursement program in an amount of approximately \$900,000 through an interlocal agreement (ILA) with Dallas County. Council approved this ILA and directed staff to pursue three potential programs. Staff developed the three programs and Dallas County approve them as follows:

Public Health and Compliance Program (Town Reimbursement Program): This program will reimburse the Town for COVID-19 expenses such as personal protective equipment (masks, gloves, etc.), public space disinfection, and enhanced telework capabilities. Staff recommends approval of the Public Health and Compliance Program in an amount of \$115,000.

Resident Assistance Program: Due to the COVID-19 pandemic, local non-profits have experienced an increase in demand for services from Addison residents. Mr. Hawley reviewed that Metrocrest Services CEO Tracy Eubanks stated that Addison families visited the Food Pantry 189 times in April. Their rent assistance program served 22 Addison families in April. In response, Council approved emergency funding to Metrocrest Services on May 15, 2020 in the amount of \$85,000.

While other non-profit partners may be eligible to receive funding for aiding Addison residents, Metrocrest Services' ongoing rent, food, and utility assistance programs align well with CARES Act requirements from the United States Treasury Department and Dallas County. Metrocrest Services provided an estimate of the cost associated with providing these services to Addison residents for the remainder of calendar year 2020. These figures were utilized to develop the Resident Assistance Program in an amount of \$285,000. This includes reimbursement to the Town for the initial \$85,000 to Metrocrest Services and an additional \$200,000 to Metrocrest Services for rent, food and utility assistance services for Addison residents.

Addison CARES Lease/Mortgage Assistance Grant Program: The Addison Economic Development and Tourism Department developed this business assistance to establish a fund in the amount of \$500,000 to be used to award eligible businesses 75% of their gross lease or mortgage payments for two months for a maximum grant award of up to \$10,000 per company. In response to Council Member Willesen's question, Economic Development Director Orlando Campos explained that an eligible business would have fewer than 50 employees prior to March 1st, and now must be employing at least 15 percent of those employees. Additionally, an eligible business must have been in Addison as of September 1, 2019 and that the business did not receive any previous government funding through the Payroll Protection or a Small Business Association loans. Mayor Chow expressed his concern on how the Town can verify whether a small business received other funding. Mr. Campos advised that through a survey he learned that some businesses that could have applied for the funding did not because they had concerns about being able to repay a loan. He added that the United States Treasury is publishing a list of businesses that have already received some type of funding. Council Member Hughes inquired whether funding could be reallocated in the event it is not needed in a program. Mr. Hawley advised yes that Dallas County needs to approve a reallocation.

MOTION: Mayor Pro Tempore Ward moved to approve this item. Council Member Hughes seconded the motion. Motion carried unanimously.

Adjourn Meeting

There being no further business to come before the Council, Mayor Chow adjourned the meeting.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma G. Parker, City Secretary

Council Meeting

5.

Meeting Date: 08/11/2020

Department: Development Services

AGENDA CAPTION:

Hold a Public Hearing, Present, Discuss, and Consider Action on an **Ordinance Changing the Zoning on Property Located at 5100 Belt Line Road Suite 796, Which Property is Currently Zoned PD, Planned Development, Through Ordinances O12-002 and O20-08, by Approving a Special Use Permit for a New Restaurant With the Sale of Alcoholic Beverages for on Premises Consumptions Only.** Case 1815-SUP/Pie Tap.

BACKGROUND:

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting virtually in regular session on July 21, 2020, voted to recommend approval of a Special Use Permit for a new restaurant with the sale of alcoholic beverages for on-premises consumption only subject to the following condition:

- The applicant shall not use any terms or graphic depictions that relate to alcoholic beverages in any exterior signage.

Voting Aye: Catalani, Craig, DeFrancisco, Meleky, Resnik, Souers, Wheeler

Voting Nay: none

Absent: none

SPEAKERS AT THE PUBLIC HEARING: none.

Please refer to the attached staff report for additional information on this case.

RECOMMENDATION:

Administration recommends approval.

Attachments

Ordinance - Pie Tap 1815 SUP

1815-SUP Staff Report

1815-SUP Plans

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS, AMENDING THE COMPREHENSIVE ZONING ORDINANCE TO GRANT A SPECIAL USE PERMIT FOR A RESTAURANT AND FOR THE SALE OF ALCOHOLIC BEVERAGES FOR ON-PREMISE CONSUMPTION FOR PROPERTY LOCATED AT 5100 BELT LINE ROAD, SUITE 796; PROVIDING A PENALTY NOT TO EXCEED TWO THOUSAND AND NO/100 DOLLARS (\$2,000.00) FOR EACH OFFENSE AND A SEPARATE OFFENSE SHALL BE DEEMED COMMITTED EACH DAY DURING OR ON WHICH A VIOLATION OCCURS OR CONTINUES; SAVINGS, NO SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the property located at 5100 Belt Line Road, Suite 796, is zoned PD, Planned Development, through Ordinance Numbers O12-002 and O20-08; and

WHEREAS, at its regular meeting held on July 21, 2020 the Planning & Zoning Commission considered and made recommendations on a request for a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption (Case No.1815-SUP); and

WHEREAS, this change of zoning is in accordance with the adopted Comprehensive Plan of the Town of Addison, as amended; and

WHEREAS, after due deliberations and consideration of the recommendation of the Planning and Zoning Commission, the information received at a public hearing, and other relevant information and materials, the City Council of the Town of Addison, Texas finds that this amendment promotes the general welfare and safety of this community.

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

SECTION 1. That the recitals and findings set forth above are hereby found to be true and correct and incorporated as if fully set forth herein.

SECTION 2. That a Special Use Permit authorizing a restaurant and authorizing the sale of alcoholic beverages for on-premises consumption only, on the property located at 5100 Belt Line Road, Suite 796, is hereby granted subject to the following conditions:

- (a) Prior to the issuance of a Certificate of Occupancy, said Property shall be improved in accordance with the site plan, floor plan, and building elevations, which are attached hereto as **Exhibit A** and made a part hereof for all purposes.
- (b) The Special Use Permit granted herein for a restaurant with the sale of alcoholic beverages for on-premises consumption only shall be limited to that particular area designated on the final site plan as encompassing a total area not to exceed 3,669 square feet.

- (c) No signs advertising sale of alcoholic beverages shall be permitted other than those authorized under the Liquor Control Act of the State of Texas, and any sign ordinance of the Town of Addison, Texas.
- (d) The sale of alcoholic beverages under this Special Use Permit shall be permitted in restaurants. Restaurants are hereby defined as establishments which receive at least sixty percent (60%) of their gross revenues from the sale of food.
- (e) Said establishment shall make available to the city or its agents, during reasonable hours its bookkeeping records for inspection, if required, by the city to ensure that the conditions of subparagraph (d) above are being met.
- (f) Any use of property considered as a nonconforming use under the Comprehensive Zoning Ordinance of the Town of Addison shall not be permitted to receive a license or permit for the sale of alcoholic beverages.
- (g) If the property for which this Special Use Permit is granted is not used for the purposes for which said permits were granted within one (1) year after the adoption of this ordinance, the City Council may authorize hearings to be held for the purpose of considering a change of zoning and repeal of the Special Use Permits granted herein.
- (h) If a license or permit to sell alcoholic beverages on property covered by this Special Use Permit is revoked, terminated or cancelled by proper authorities, the City Council may authorize hearings to be held for the purpose of considering a change of zoning repeal of the Special Use Permits granted herein.
- (i) The establishment shall not use the term “bar”, “tavern”, or any other terms or graphic depictions that relate to the sale of alcoholic beverages on any signs visible from the exterior of the premises.

SECTION 3. That any person, firm, or corporation violating any of the provisions or terms of this ordinance shall be subject to the same penalty as provided for in the Comprehensive Zoning Ordinance of the city, as heretofore amended, and upon conviction shall be punished by a fine set in accordance with Chapter 1, General Provisions, Section 1.10, General penalty for violations of Code; continuing violations, of the Code of Ordinances for the Town of Addison.

SECTION 4. That it is the intention of the City Council that this ordinance be considered in its entirety, as one ordinance, and should any portion of this ordinance be held to be void or unconstitutional, then said ordinance shall be void in its entirety, and the City Council would not have adopted said ordinance if any part or portion of said ordinance should be held to be unconstitutional or void.

SECTION 5. That all ordinances of the City in conflict with the provisions of this ordinance be, and the same are hereby repealed and all other ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 6. That this Ordinance shall become effective from and after its passage and approval and after publication as may be required by law or by the City Charter or ordinance.

DULY RESOLVED AND ADOPTED by the City Council of the Town of Addison, Texas, on this the 11TH day of August 2020.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

APPROVED AS TO FORM:

Irma Parker, City Secretary

Brenda N. McDonald, City Attorney

EXHIBIT A

NOTES:
 1. THIS PLAN SHALL BE SUBJECT TO TOWN APPROVAL AND WILL REQUIRE REVISIONS TO ANY PLANS TO AVOID CONFLICTS BETWEEN OPEN SPACE MEET PERMITTED. SHALL BE SCORED IN ACCORDANCE WITH ZONING ORDINANCE BUILDINGS WITH AN AGGREGATE GFA OF 5,000 GFA UNDER PD. AUTOMATIC FIRE SPRINKLERS INSTALLED THROUGHOUT MEASURES MAY BE APPROVED BY THE FIRE DEPARTMENT.
 ALL SPACES SUBJECT TO TOWN APPROVAL.
 ALL REVISIONS AND REVISIONS SHALL BE SHOWN AND REVISIONS SHALL BE SUBJECT TO TOWN INSPECTION DIVISION APPROVAL.

PD PARKING REQUIREMENTS:
 1 SPACE/225 SF OF AREA - ALL USES EXCEPT THEATER

THEATER REQUIREMENTS:
 1 SPACE/3 SEATS

TOTAL BUILDING AREA INCLUDING GARAGE 626, 741 SF

GROSS LEASABLE AREA (GLA) TOTAL 409,011 SF

GLA UNDER PD 365,506 SF

GLA THEATER 43,705 SF

PD- 1 SPACE/250 SF OF AREA REGARDLESS OF USE, (EXCLUDING THEATER)

PARKING REQUIRED W/ PATIO: 1,624 SPACES

THEATER PARKING 1 SPACE/3 SEATS

THEATER SEAT COUNT 1,282 SEATS

PARKING REQUIRED 428 SPACES

TOTAL PROJECT PARKING TABULATIONS:

REQUIRED: 1,624 SPACES

PD USES 1/225: 428 SPACES

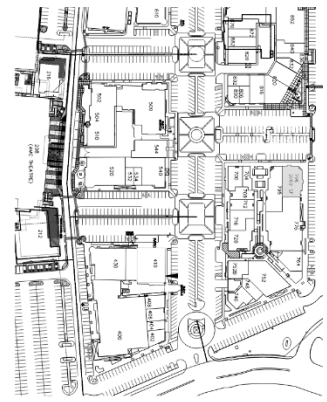
THEATER: 2,052 SPACES

TOTAL REQUIRED: 1,640 SPACES

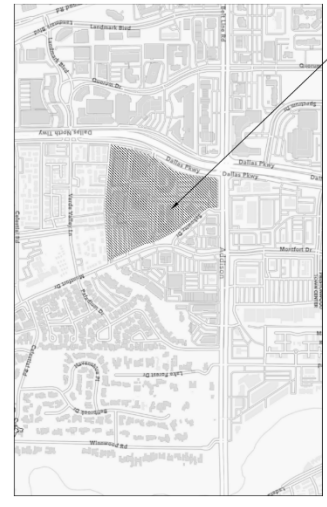
EXISTING: 622 SPACES

GARAGE: 1,640 SPACES

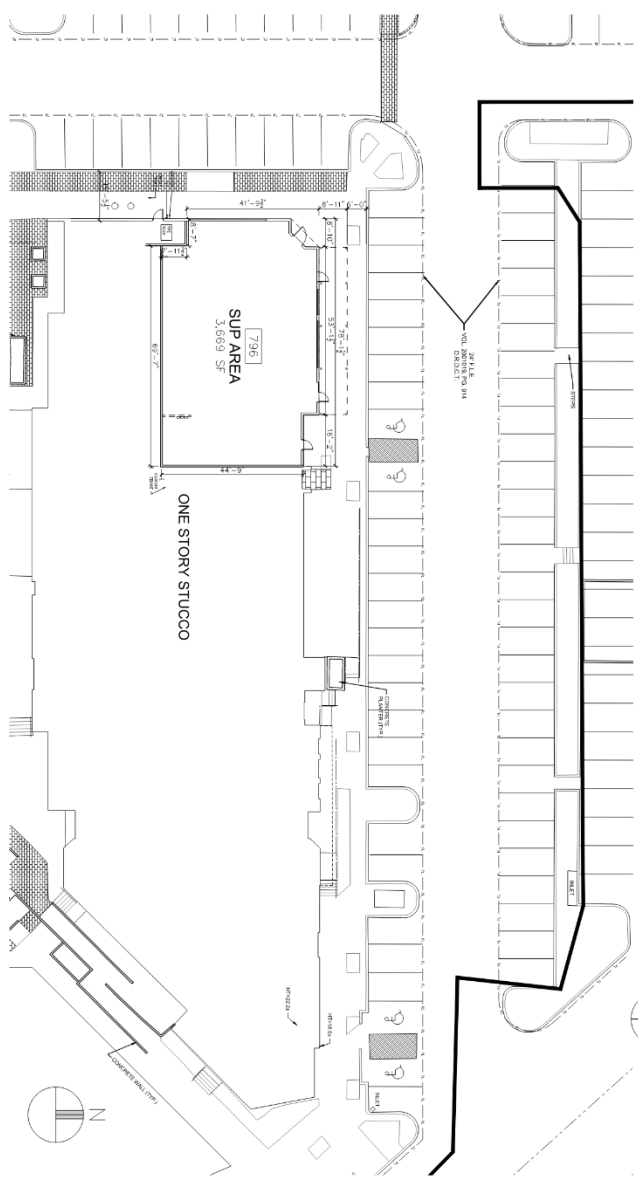
TOTAL PROVIDED: 2,262 SPACES



03 DEVELOPMENT PLAN
 SCALE: 1/128 = 1'-0"



02 LOCATION KEY
 NOT TO SCALE



01 SITE PLAN
 SCALE: 1/64 = 1'-0"

ISSUE FOR SUP

DATE	BY	REVISION

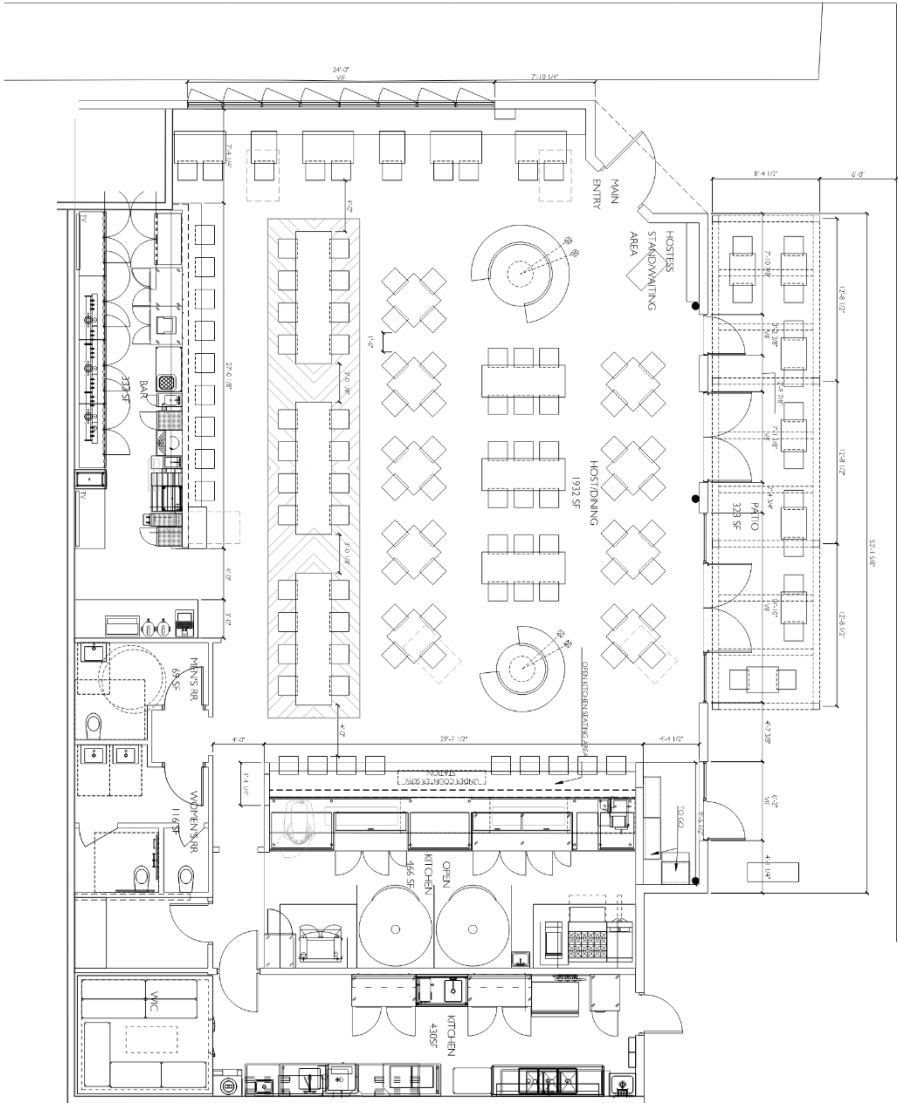
OWNER:
 PIE TAP
 5100 BELT LINE RD.
 SUITE 796
 ADDISON, TX 75254

DESIGN FIRM:
 PLAN B GROUP
 3710 COMMERCE ST.
 SUITE 130
 DALLAS, TX 75226
 WWW.PLANBGROUP.NET
 214.522.0005

PROPERTY OWNER:
 PIE TAP
 5100 BELT LINE RD.
 DALLAS, TX 75254
 CONTACT: SUSAN STELLAWER
 PROJECT # 1815-SIP
 DRAWING HISTORY

DATE: 06.18.2020
 SHEET: A004
 SITE PLAN
 SCALE: 1/64 = 1'-0"

EXHIBIT A



AREA	AVAIL
DINING	1933 SF
BAR	333 SF
OPEN KITCHEN	466 SF
KITCHEN	430 SF
BEST ROOM	185 SF
TOTAL INTERIOR	3288 SF
PATIO	333 SF
TOTAL	3695 SF

SEATING COUNTS	AVAIL
BAR	07
DINING	113
SALE	131
EXTERIOR	14
TOTAL	145

01 FLOOR PLAN
SCALE: 1/8" = 1'-0"

ISSUE FOR SUP

PIE TAP
5100 BELT LINE RD.
SUITE 796
ADDISON TX, 75254

WWW.PLANBGROUP.COM
7326
DALLAS TX



PIE TAP ADDISON, LLC
4210 W SPRING CREEK HWY.
PLANO TX 75204
546.887.0008

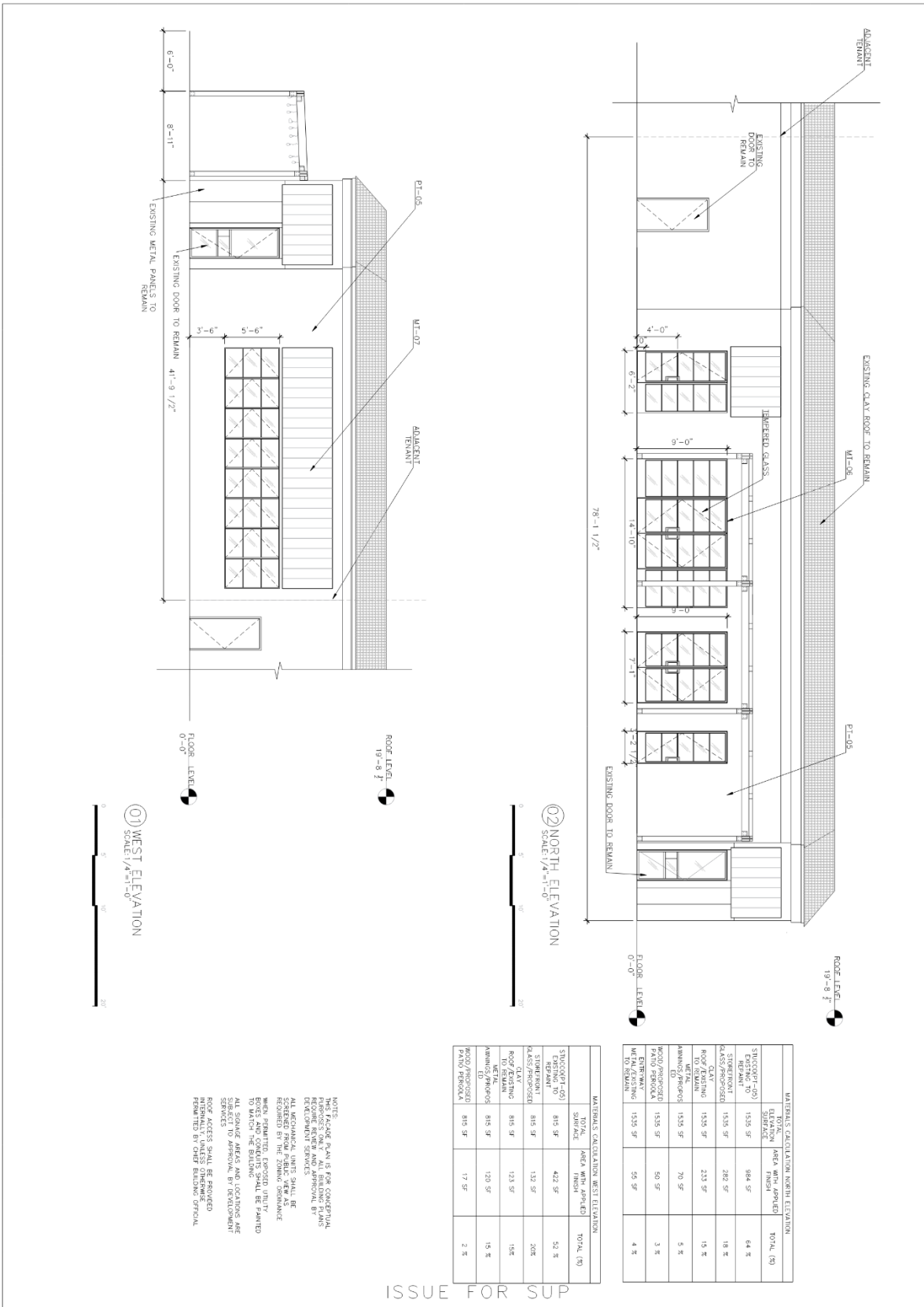
DATE	APPROVED	DESIGNED
06/18/2020	[Signature]	[Signature]

A101

06:18:2020
FLOOR PLAN

PROJECT # 18-558-P
DRAWING HISTORY
PROPERTY OWNER
VILLAGE ON THE PARKWAY
4210 W SPRING CREEK HWY
PLANO TX 75204
CONTACT: S.SANSTEEL@PHI

EXHIBIT A



MATERIALS CALCULATION NORTH ELEVATION			
DESCRIPTION	TOTAL SURFACE AREA	AREA WITH APPLIED FINISH	TOTAL (SQ FT)
STUCCO (100% REPAIR)	1535 SF	884 SF	64 %
REPAIR	1535 SF	282 SF	18 %
CLAY	1535 SF	233 SF	15 %
ROOF/EXISTING	1535 SF	70 SF	5 %
METAL	1535 SF	56 SF	3 %
WOOD/PRESERVED	1535 SF	56 SF	3 %
METAL/EXISTING TO REMAIN	1535 SF	56 SF	4 %

MATERIALS CALCULATION WEST ELEVATION			
DESCRIPTION	TOTAL SURFACE AREA	AREA WITH APPLIED FINISH	TOTAL (SQ FT)
STUCCO (100% REPAIR)	815 SF	423 SF	52 %
REPAIR	815 SF	132 SF	20 %
STUCCO (EXISTING)	815 SF	123 SF	15 %
ROOF/EXISTING	815 SF	120 SF	15 %
METAL	815 SF	17 SF	2 %
WOOD/PRESERVED	815 SF	17 SF	2 %

NOTE:
 CHANGE PLAN B FOR CONSTRUCTION PURPOSES ONLY. ALL BUILDING PLANS REQUIRE REFERENCED APPROVAL BY ALL MECHANICAL UNITS SHALL BE SCREENED FROM PUBLIC VIEW AS WHEN SEPARATELY SIGNED UNITS/BOARDS AND COPIES SHALL BE PAINTED TO MATCH THE BUILDING.
 ALL CHANGE MARKS AND LOCATIONS ARE SERVICES TO APPROVED BY DEVELOPER.
 ROOF ACCESS SHALL BE PROVIDED PERMITTED BY CHIEF BUILDING OFFICIAL.

PROPERTY OWNER:
 VALDIE ON THE PARKWAY
 5100 BELTLINE RD
 DALLAS, TX 75254
 CONTRACT: SUSAN
 STEEDMANN
 PROJECT # 1818-SUP
 DRAWING HISTORY

DATE: 06.18.2020
 EXT. ELEVATIONS
 A301

planB group

PIE TAP ADDISON LLC
 6010 W SPRING CREEK
 FRY, PLANO TX 75004
 949-891-0608

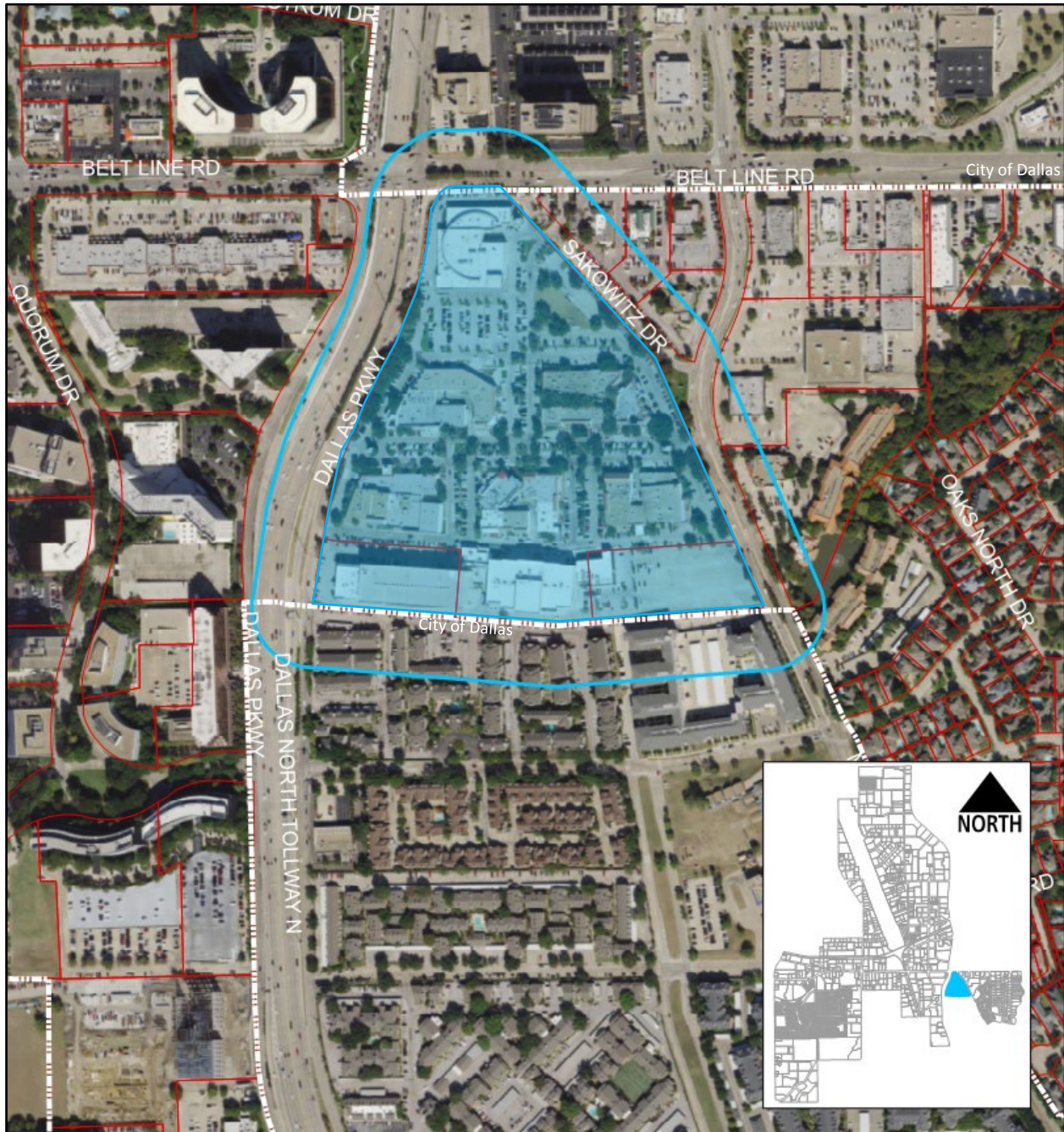
OWNER:
 PIE TAP ADDISON LLC
 6010 W SPRING CREEK
 FRY, PLANO TX 75004
 949-891-0608

DESIGN FROM:
 PLAN B GROUP INC
 3710 COMMERCE ST
 SUITE 130
 DALLAS, TX
 WWW.P-B.GROUP.NET
 214-522-0006

1815-SUP

PUBLIC HEARING Case 1815-SUP/Pie Tap. Public hearing, discussion, and take action on a recommendation regarding an ordinance changing the zoning on property located at 5100 Belt Line Road Suite 796, which property is currently zoned PD, Planned Development, through Ordinances O12-002 and O20-08, by approving a Special Use Permit for a new restaurant with the sale of alcoholic beverages for on premises consumptions only.

LOCATION MAP





July 15, 2020

STAFF REPORT

RE: Case 1815-SUP/Pie Tap
LOCATION: 5100 Belt Line Road Suite 796
REQUEST: Approval of a Special Use Permit for a restaurant with the sale of alcoholic beverages for on-premises consumption only in order to permit a new restaurant with an expanded patio.
APPLICANT: Alex Urrunaga, Plan B Group

DISCUSSION:

Background: This suite is located within Village on the Parkway property, currently zoned PD, Planned Development, through Ordinances O12-002 and O20-08. The suite is a vacant restaurant previously occupied by La Comida, which was operating under a Special Use Permit (SUP) obtained in 2003.

The proposed new restaurant concept is called Pie Tap, which prides itself on “honest, artisan, and house-crafted” food and drink, with focus on food without artificial ingredients, preservatives, fillers or additives. Pie Tap menu offers house-crafted pizzas, sandwiches, salads, and rotisserie chicken and their locations are intended to provide a comfortable space with familiar vibes, as well as a shift in typical pizza house design, where the operation from raw to finished moves to the front of the house for everyone to see. There are currently three locations in the DFW Metroplex, two in Downtown Dallas and one in Plano. Founded by Rich Hicks, the Pie Tap brand is affiliated with such other ventures as Tin Star, MOOYAH, and Ojos Locos Sports Cantina.

The applicant is proposing to relocate the bar area, which triggers the requirement for a new SUP.

Proposed Plan: The applicant is proposing to open a 3,669 square-foot restaurant, inclusive of a 323 square foot patio area, which will include major interior renovations, including bar relocation, and exterior improvements. The floor plans shows a large open concept dining area, seating 131 inside and 14 outside on the patio, with a dining counter facing the pizza production area, and a bar. The applicant is proposing a wood pergola for the patio area, increased storefront glazing on both sides, and new metal awnings.

Parking: This Planned Development district allows most uses to be parked at a ratio of 1 space per 225 square feet. This property requires 2,052 parking spaces and currently provides 2,262 parking spaces.

RECOMMENDATION: APPROVAL WITH CONDITIONS

Pie Tap is a local and unique concept that will make a great addition to the variety of the existing food establishment choices in this area.

Staff recommends approval of the request, subject to the following condition:

- The applicant shall not use any terms or graphic depictions that relate to alcoholic beverages in any exterior signage.



Case 1815-SUP/Pie Tap

July 21, 2020

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on July 21, 2020, voted to recommend approval of a Special Use Permit for a new restaurant with the sale of alcoholic beverages for on-premises consumption only subject to the following condition:

- The applicant shall not use any terms or graphic depictions that relate to alcoholic beverages in any exterior signage.

Voting Aye: Catalani, Craig, DeFrancisco, Meleky, Resnik, Souers, Wheeler

Voting Nay: none

Absent: none

SPEAKERS AT THE PUBLIC HEARING:

For: none

On: none

Against: none

NOTES:
 ANY REVISIONS TO THIS PLAN WILL REQUIRE TOWN APPROVAL AND WILL REQUIRE REVISIONS TO ANY CORRESPONDING PLANS TO AVOID CONFLICTS BETWEEN PLANS.

OPEN STORAGE WHERE PERMITTED, SHALL BE SCREENED IN ACCORDANCE WITH ZONING ORDINANCE

BUILDINGS WITH AN AGGREGATE SUM OF 5,000 SQUARE FEET OR GREATER ON A LOT SHALL HAVE AUTOMATIC FIRE SPRINKLERS INSTALLED THROUGHOUT ALL STRUCTURES. ALTERNATIVE FIRE PROTECTION MEASURES MAY BE APPROVED BY THE FIRE DEPARTMENT.

ALL SIGNAGE IS SUBJECT TO TOWN APPROVAL

ALL FENCES AND RETAINING WALLS SHALL BE SHOWN ON THE SITE PLAN AND ARE SUBJECT TO BUILDING INSPECTION DIVISION APPROVAL

PD PARKING REQUIREMENTS:

1 SPACE/225 SF OF AREA – ALL USES EXCEPT THEATER

THEATER REQUIREMENTS:

1 SPACE/3 SEATS

TOTAL BUILDING AREA INCLUDING GARAGE	626,741 SF
GROSS LEASABLE AREA (GLA) TOTAL	409,011 SF
GLA UNDER PD	365,306 SF
GLA THEATER	43,705 SF

PD: 1 SPACE/250 SF OF AREA REGARDLESS OF USE, (EXCLUDING THEATER)

PARKING REQUIRED W/ PATIO: 1,624 SPACES

THEATER PARKING
 1 SPACE/3 SEATS

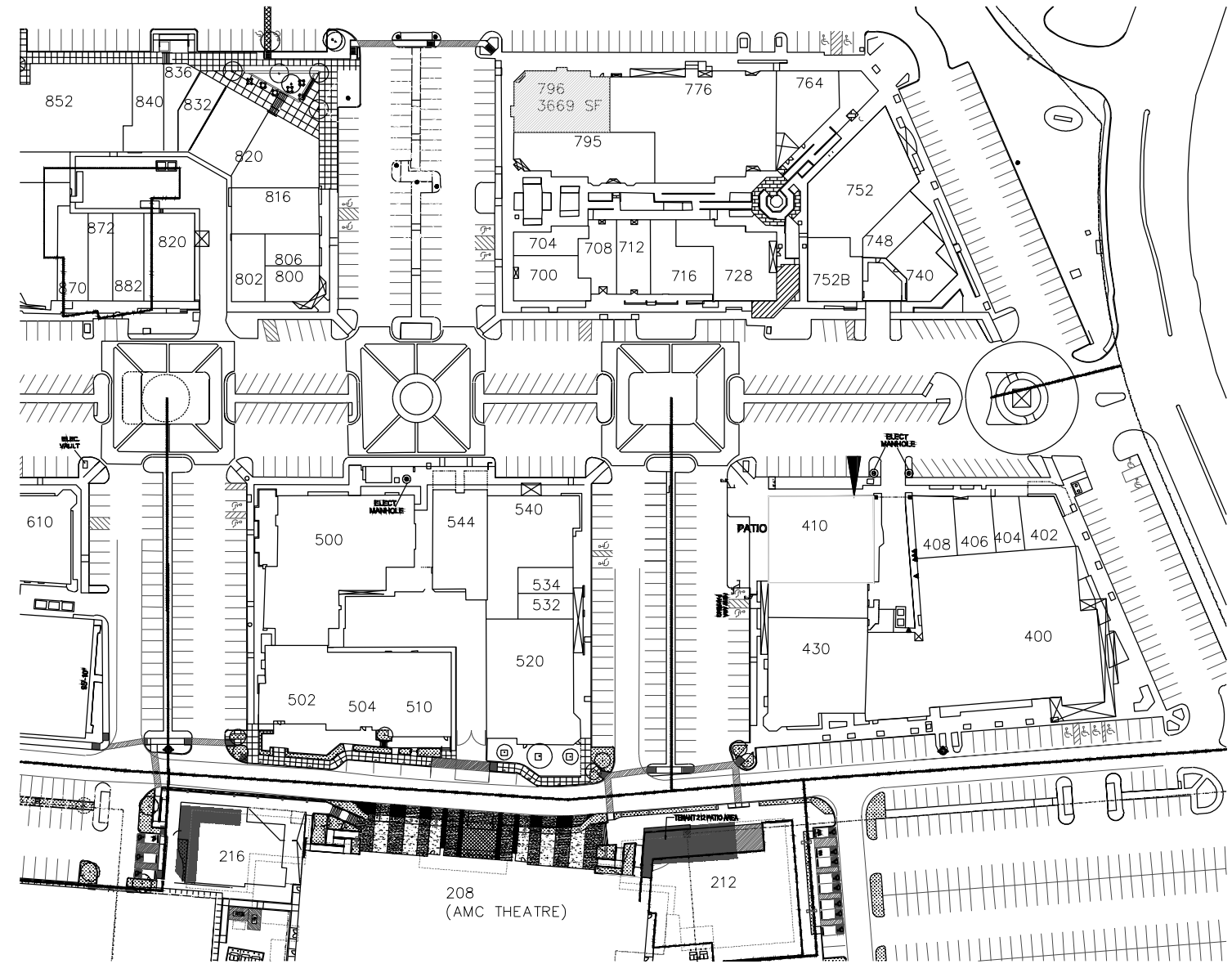
THEATER SEAT COUNT 1,282 SEATS

PARKING REQUIRED 428 SPACES

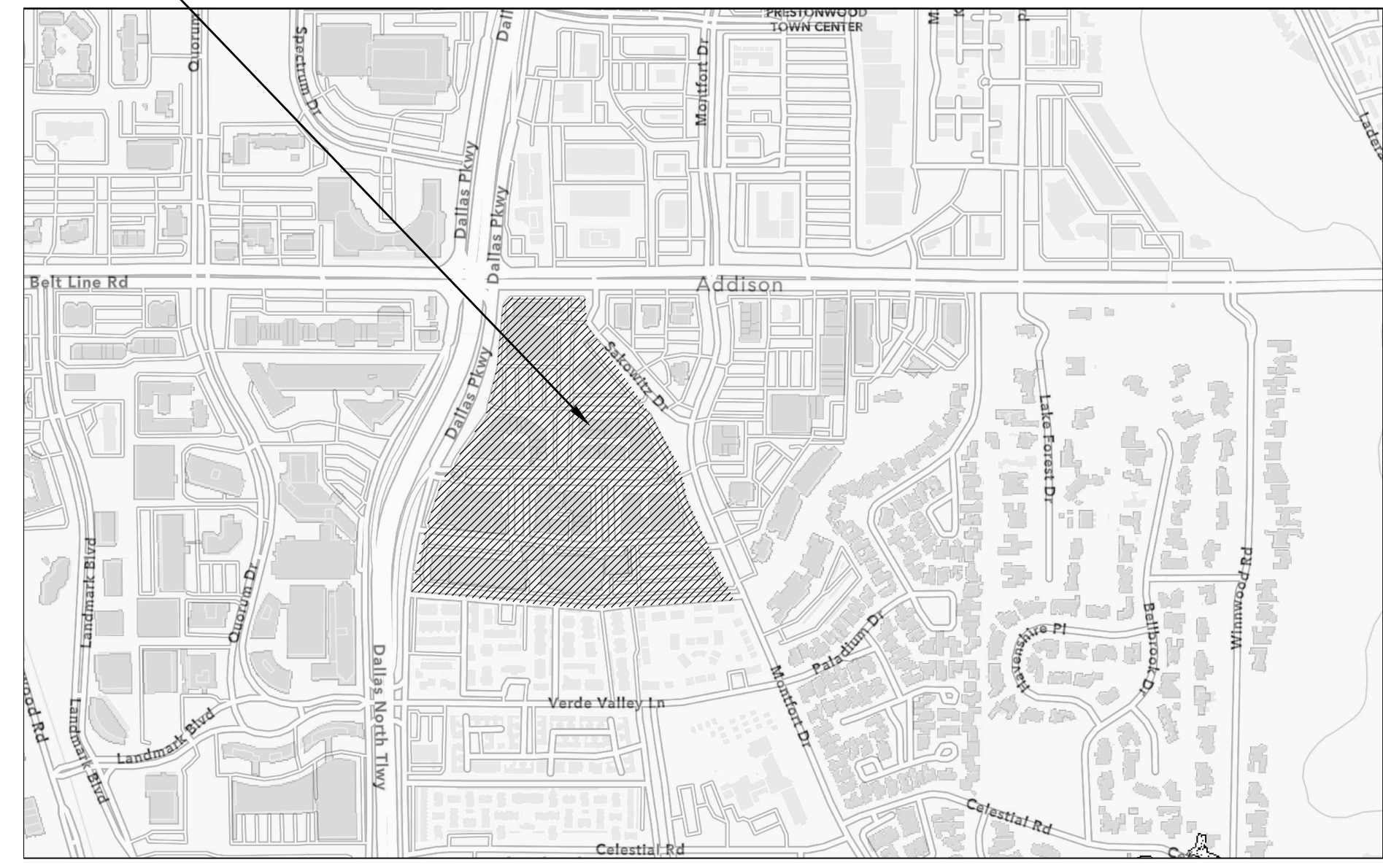
TOTAL PROJECT PARKING TABULATIONS:

REQUIRED:	
PD USES 1/225:	1,624 SPACES
THEATER	428 SPACES
TOTAL REQUIRED:	2,052 SPACES

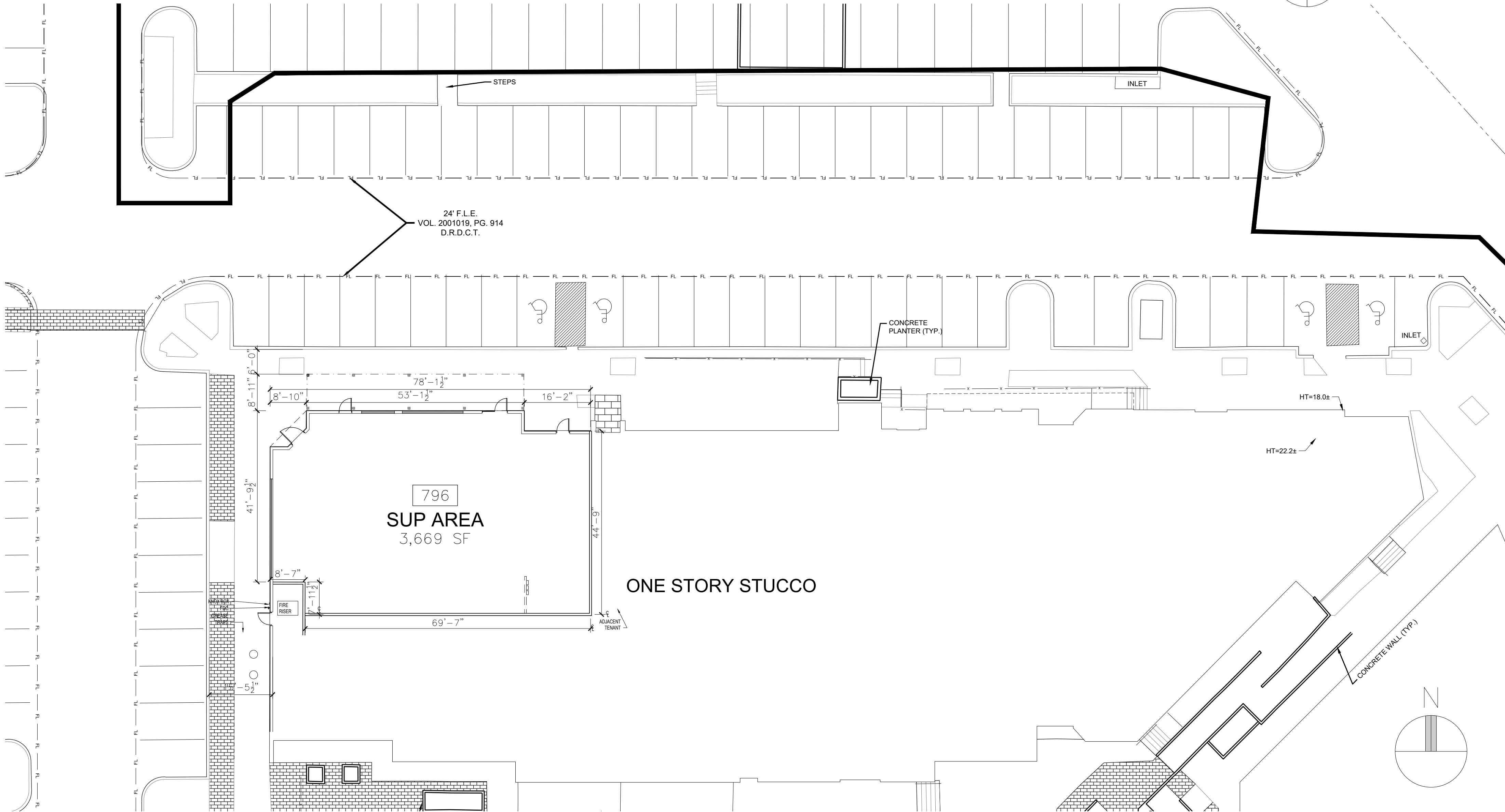
EXISTING:	
SURFACE	1,640 SPACES
GARAGE	622 SPACES
TOTAL PROVIDED:	2,262 SPACES



03 DEVELOPMENT PLAN
 SCALE: 1/128" = 1'-0"



02 LOCATION KEY
 NOT TO SCALE



01 SITE PLAN
 SCALE: 1/16" = 1'-0"

ACTION	
APPROVED	DENIED
STAFF	Date
COUNCIL	Date

OWNER
 PIE TAP ADDISON LLC
 6010 W SPRING CREEK PKWY, PLANO TX 75024
 949-887-0608



DESIGN FIRM
 PLAN B GROUP INC
 3710 COMMERCE ST.
 SUITE 130
 DALLAS, TX
 75226
 WWW.PLANBGROUP.NET
 214.522.0006

ISSUE FOR SUP
 PIE TAP
 5100 BELT LINE RD.
 SUITE 796
 ADDISON TX, 75254

PROPERTY OWNER
 VILLAGE ON THE PARKWAY
 5100 BELTLINE RD.
 DALLAS, TX 75254
 CONTACT: SUSAN STEELHAMMER
 PROJECT # 1815-SUP

DRAWING HISTORY

06.18.2020

SITE PLAN

A004

ACTION	
APPROVED	DENIED
STAFF _____	Date _____ Initials _____
COUNCIL _____	Date _____ Initials _____

See the Staff Approval Letter or Council Resol. Memo for any conditions associated with the approval of the project.

OWNER
 PIE TAP ADDISON LLC
 6010 W SPRING CREEK PKWY,
 PLANO TX 75024
 949-887-0608



DESIGN FIRM
 PLAN B GROUP INC
 3710 COMMERCE ST.
 SUITE 130
 DALLAS, TX
 75226
 WWW.PLANBGROUP.NET
 214.522.0006

PIE TAP
 5100 BELT LINE RD.
 SUITE 796
 ADDISON TX, 75254

PROPERTY OWNER
 VILLAGE ON THE PARKWAY
 5100 BELTLINE RD.
 DALLAS, TX 75254
 CONTACT: SUSAN STEELHAMMER

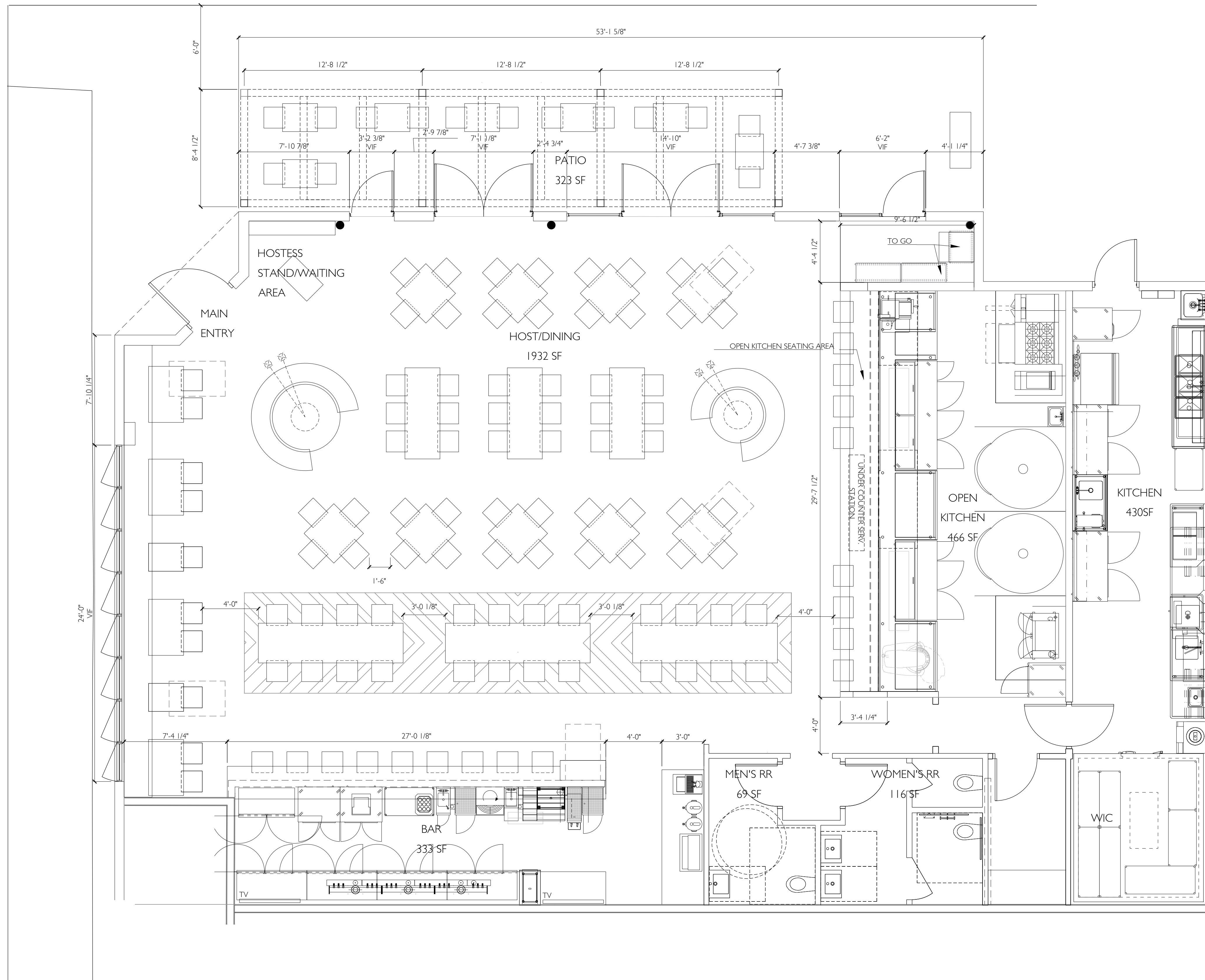
PROJECT # 1815-SUP

DRAWING HISTORY

06.18.2020
 FLOOR PLAN

A101

ISSUE FOR SUP



AREA	
DINING	1932 SF
BAR	333 SF
OPEN KITCHEN	466 SF
KITCHEN	430 SF
RESTROOM	185 SF
TOTAL INTERIOR	3346 SF
PATIO	323 SF
TOTAL	3669 SF

SEATING COUNTS

INTERIOR:	
BAR	09
DINING	113
COUNTER	09
SUBTOTAL:	131
EXTERIOR:	
PATIO	14
TOTAL	145

01 FLOOR PLAN
 SCALE: 1/4"=1'-0"



ACTION	
APPROVED	DENIED
STAFF _____	_____
COUNCIL _____	_____

OWNER
 PIE TAP ADDISON LLC
 6010 W SPRING CREEK
 PKWY, PLANO TX 75024
 949-887-0608



DESIGN FIRM
 PLAN B GROUP INC
 3710 COMMERCE ST.
 SUITE 130
 DALLAS, TX
 75226
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 214.522.0006

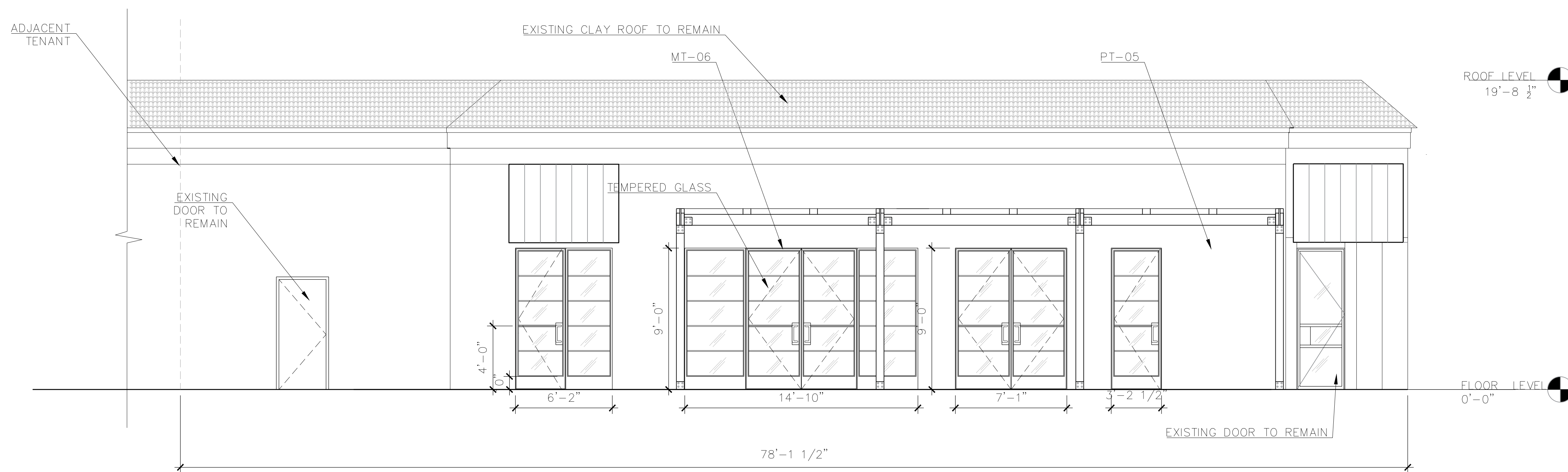
PIE TAP
 5100 BELT LINE RD.
 SUITE 796
 ADDISON TX, 75254

PROPERTY OWNER
 VILLAGE ON THE PARKWAY
 5100 BELTLINE RD.
 DALLAS, TX 75254
 CONTACT: SUSAN
 STEELHAMMER
 PROJECT # 1815-SUP

DRAWING HISTORY

06.18.2020
 EXT.
 ELEVATIONS

A301



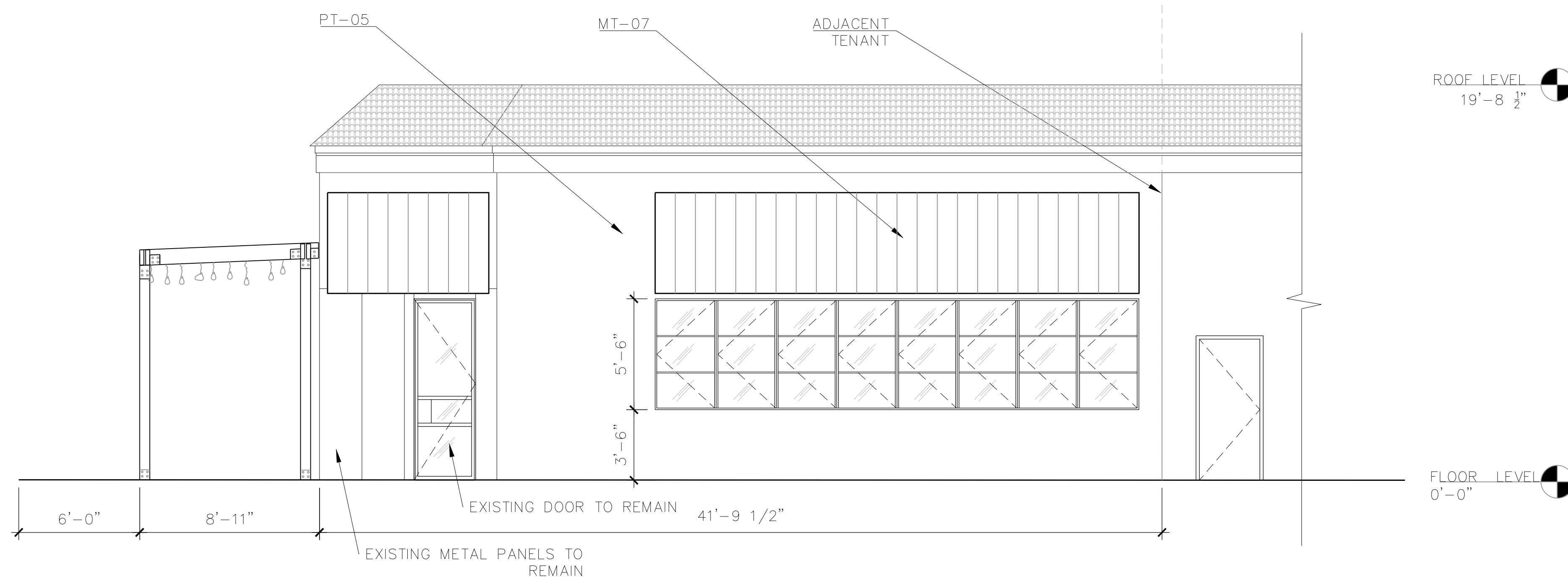
02 NORTH ELEVATION
 SCALE: 1/4"=1'-0"



MATERIALS CALCULATION NORTH ELEVATION			
	TOTAL ELEVATION SURFACE	AREA WITH APPLIED FINISH	TOTAL (%)
STUCCO(PT-05) EXISTING TO REPAINT	1535 SF	984 SF	64 %
STOREFRONT GLASS/PROPOSED	1535 SF	282 SF	18 %
CLAY ROOF/EXISTING TO REMAIN	1535 SF	233 SF	15 %
METAL AWNINGS/PROPOSED	1535 SF	70 SF	5 %
WOOD/PROPOSED PATIO PERGOLA	1535 SF	50 SF	3 %
ENTRYWAY METAL/EXISTING TO REMAIN	1535 SF	55 SF	4 %

MATERIALS CALCULATION WEST ELEVATION			
	TOTAL SURFACE	AREA WITH APPLIED FINISH	TOTAL (%)
STUCCO(PT-05) EXISTING TO REPAINT	815 SF	422 SF	52 %
STOREFRONT GLASS/PROPOSED	815 SF	132 SF	20%
CLAY ROOF/EXISTING TO REMAIN	815 SF	123 SF	15%
METAL AWNINGS/PROPOSED	815 SF	120 SF	15 %
WOOD/PROPOSED PATIO PERGOLA	815 SF	17 SF	2 %

ISSUE FOR SUP



01 WEST ELEVATION
 SCALE: 1/4"=1'-0"



NOTES:
 THIS FACADE PLAN IS FOR CONCEPTUAL PURPOSES ONLY. ALL BUILDING PLANS REQUIRE REVIEW AND APPROVAL BY DEVELOPMENT SERVICES.

ALL MECHANICAL UNITS SHALL BE SCREENED FROM PUBLIC VIEW AS REQUIRED BY THE ZONING ORDINANCE

WHEN PERMITTED, EXPOSED UTILITY BOXES AND CONDUITS SHALL BE PAINTED TO MATCH THE BUILDING

ALL SIGNAGE AREAS AND LOCATIONS ARE SUBJECT TO APPROVAL BY DEVELOPMENT SERVICES

ROOF ACCESS SHALL BE PROVIDED INTERNALLY, UNLESS OTHERWISE PERMITTED BY CHIEF BUILDING OFFICIAL

Council Meeting

6.

Meeting Date: 08/11/2020

Department: Development Services

AGENDA CAPTION:

Present, Discuss, and Consider Action **Related to a Special Election to Consider Charter Amendments; Including Potential Action to Adopt an Ordinance Ordering the Special Election for the November 2020 Uniform Election Date.**

BACKGROUND:

The City Council adopted Ordinance O20-04 on February 13, 2020 ordering that a Special Election be held on May 2, 2020 for the purpose of considering twenty-six (26) propositions to amend the Town's Home Rule Charter. In March, Governor Greg Abbott issued a Proclamation in response to the COVID-19 pandemic allowing political subdivisions within Texas to move general and special elections scheduled in May to November 3, 2020. In response to the Governor's Proclamation, the Addison City Council voted to postpone the Special Election to a date to be determined.

At the meeting on July 14, 2020, the City Council discussed options for holding the election on either November 3, 2020 or May 1, 2021. There was discussion about whether or not the Town is required to hold the election on November 3, 2020 or if the Special Election could wait until May 2021. Council directed staff to clarify options and seek the Governor's input in when the election could be held. Staff has sent a letter to the Governor's office and expects to be able to share their response at the Council Meeting.

During this item, Council will continue the discussion. If the consensus among the City Council is to hold the election on November 3, 2020, then the attached ordinance should be approved formally calling the Special Election.

RECOMMENDATION:

Staff requests direction from Council.

Attachments

Letter - Request to Hold a Special Election in May 2021

Ordinance - Ordering a Special Election for November 2020

Exhibit A - Notice of Special Election

Joe Chow
Mayor



Town of Addison, Texas

P.O. Box 9010, Addison, Texas 75001-9010

(972) 450-7000

jchow@addisontx.gov

August 4, 2020

Delivered via Overnight Delivery

Honorable Greg Abbott
Governor of Texas
Office of the Governor
State Insurance Building
1100 San Jacinto
Austin, Texas 78701

Re: Request by the Town of Addison, Texas to Hold Special Election on
Charter Amendments in May 2021

Dear Governor Abbott:

Thank you for your leadership for our great State of Texas during the current Covid-19 pandemic. Addison is grateful for your service and understands and supports why you felt it important that the May 2, 2020 election be postponed. The Covid-19 pandemic left all of us with little choice in the matter. However, we believe that there are legitimate public health and safety and other important considerations for allowing the Town of Addison to move its special election on 26 amendments to the Addison Home Rule Charter to the May 2021 uniform election date.

I am respectfully requesting that you exercise your constitutional and statutory authority to authorize the Town of Addison to conduct its special election, originally scheduled for May 2, 2020, to be held on the May 2021 uniform election date. Addison's May 2, 2020 special election was called to allow voters to consider 26 ballot propositions to amend the Town's home rule charter. Many of these amendments are intended as clean-up items to make portions of Addison's charter language more compatible with state law. The City Council believes that by May of 2021, the Covid-19 pandemic will have subsided, providing the best opportunity for informed, local voters to vote on the Charter amendments. Additionally, as you can imagine, November voters will have a long ballot of important state and national election and policy matters. At some point, voter fatigue will set in and it is vital that Addison's voters have a true opportunity to consider the proposed amendments to Addison's Charter.

Governor Greg Abbott
August 4, 2020
Page 2

By adopting Ordinance No. O20-11, on March 24, 2020 (attached hereto), the Addison City Council postponed the special election to a future uniform election date. Therefore, until the City Council adopts a new election ordinance to place the Charter amendments on the ballot, it seems to reason that the postponed election has not been called. With your authorization, the Town would like to place the Charter amendments on the May 2021 uniform election date ballot.

Obviously, this request is of an urgent nature and we request your response as soon as possible. Thank you in advance for your consideration of Addison's request. And again, thank you for your service to Texas.

Respectfully submitted,



Joe Chow, Mayor

cc: Governor's Disaster Counsel (*via email: disaster-counsel@oag.texas.gov*)
Irma Parker, City Secretary

ORDINANCE NO. O20-11

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS AMENDING ORDINANCE NO. O20-04 TO POSTPONE THE MAY 2, 2020 SPECIAL CHARTER AMENDMENT ELECTION, PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Addison is a home rule municipality located in Dallas County, Texas, operating pursuant to the City Charter and enabling legislation of the State of Texas; and

WHEREAS, the City Council of the Town of Addison previously passed Ordinance No. O20-04, ordering that a Special Election be held on May 2, 2020, a uniform election date per Texas law, for the purpose of amending the Home Rule Charter with twenty-six (26) Propositions; and

WHEREAS, elections in Texas must be held on a uniform election date per state law; and

WHEREAS, on March 13, 2020, the Governor of Texas certified that the novel coronavirus (COVID-19) poses an imminent threat of disaster and declared a state of disaster for all counties in Texas; and

WHEREAS, on March 18, 2020, the Governor of Texas issued a Proclamation to suspend various statutes to allow political subdivisions of the state that would otherwise hold elections on May 2, 2020, to move their general and special elections for 2020 to the next uniform election date, occurring on November 3, 2020; and

WHEREAS, the Texas Secretary of State has issued, pursuant to the Proclamation of March 18, 2020, Election Advisory No. 2020-12, to provide guidance to local political subdivisions regarding issues raised by the Proclamation, and

WHEREAS, on March 19, 2020 Dallas County Elections Department Elections Administrator Toni Pippins-Poole advised that the County would not be able to administer the May 2, 2020 Election with 44% of the 324 Vote Centers slated for closure and the majority of election work force in the high risk category of over 65; and

WHEREAS, federal, state, and local officials have determined that the spread of COVID-19 can be slowed by avoiding bringing people together, and the City Council hereby finds that the holding of the special election might cause physical danger of infection to voters, election officials, and election volunteers; and

WHEREAS, because of the public health crisis, and in order to protect the health and safety of voters, the election officials, and election volunteers, the City Council therefore wishes to exercise the authority granted to it in the Proclamation of March 18, 2020 to postpone the election previously called by it to be held on May 2, 2020.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF

ADDISON, TEXAS:

SECTION 1. Pursuant to the authority granted in the Proclamation of March 18, 2020, the special election ordered to be held on May 2, 2020 by Ordinance No. O20-04 is hereby postponed until a future uniform election date.

SECTION 2. All matters and dates relevant to a future uniform election date, such as voter registration deadlines, applications for ballots by mail and dates for early voting shall be as provided by Texas law and Election Advisory 2020-12.

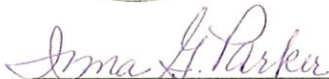
SECTION 3. The Council will, by subsequent action, amend Ordinance No. O20-04 to comply with state law regarding early voting location, dates and hours, and any other changes caused by postponing this election to a date to be determined.

SECTION 4. Severability. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance are severable, and if a phrase, clause, sentence, paragraph, or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of a court of competent jurisdiction, such unconstitutionality shall not affect the remaining phrases, clauses, sentences, paragraphs, and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of the unconstitutional phrase, clause, sentence, paragraph, or section.

SECTION 5. Effective Date. This ordinance shall be in full force and effect from and after its passage and publication as required by law, and it is so ordained.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, on this the 24th day of MARCH 2020.




Irma Parker, City Secretary

TOWN OF ADDISON, TEXAS


Joe Chow, Mayor

APPROVED AS TO FORM:

Brenda N. McDonald, City Attorney

Published in the *Dallas Morning News*: Monday, April 20, 2020.

Published on <https://addisontexas.net/>

Emailed to DCED Toni Pippins-Poole Toni.Pippins-Poole@dallascounty.org : Friday, April 17, 2020

Emailed Notice to Secretary of State @ elections@sos.texas.gov: Friday, April 17, 2020

ORDINANCE NO. O20-__

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, ORDERING A SPECIAL ELECTION TO BE HELD ON NOVEMBER 3, 2020, FOR THE PURPOSE OF VOTING ON THE ADOPTION OR REJECTION OF PROPOSED AMENDMENTS TO THE EXISTING HOME RULE CHARTER OF THE TOWN OF ADDISON, TEXAS, AS AMENDED; DESIGNATING THE PLACES AT WHICH SAID ELECTION IS TO BE HELD; APPOINTING THE EARLY VOTING CLERK; PROVIDING FOR POSTING AND PUBLICATION OF NOTICE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the Town of Addison, Texas, in the exercise of the discretion vested in it by the Constitution and laws of this State, and in accordance with the provisions of Chapter 9 of the Texas Local Government Code and having received the report of the Charter Commission has determined to submit for adoption or rejection, amendments to Addison's existing Home Rule Charter; and

WHEREAS, the City Council of the Town of Addison at the Regular Meeting of February 13, 2020 passed Ordinance No. O20-04, ordering that a Special Election be held on May 2, 2020, a uniform election date per Texas law, for the purpose of amending the Home Rule Charter with twenty-six (26) Propositions; and

WHEREAS, on March 13, 2020, the Governor of Texas certified that the novel coronavirus (COVID-19) poses an imminent threat of disaster and declared a state of disaster for all counties in Texas; and

WHEREAS, on March 18, 2020, the Governor of Texas issued a Proclamation to suspend various statutes to allow political subdivisions of the state that would otherwise hold elections on May 2, 2020, to move their general and special elections for 2020 to the next uniform election date, occurring on November 3, 2020; and

WHEREAS, the Texas Secretary of State has issued, pursuant to the Proclamation of March 18, 2020, Election Advisory No. 2020-12, to provide guidance to local political subdivisions regarding issues raised by the Proclamation; and

WHEREAS, on April 14, 2020, the Town of Addison City Council adopted Ordinance No. O20-11 amending Ordinance No. 020-04 postponing the May 2, 2020 Special Charter Amendment Election. The General Election was cancelled as all candidates were unopposed and therefore declared election; and

WHEREAS, on July 27, 2020, the Governor of Texas issued a Proclamation to suspend various statutes ordering early voting by personal appearance to begin on Tuesday, October 13, 2020 and shall continue through the fourth day before election day and allow a voter to deliver a marked ballot in person to the early voting clerk's office prior to and including on election day.

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

SECTION 1. The facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct.

SECTION 2. A special election is hereby ordered to be held on the 3rd day of November 2020, between the hours of 7:00 a.m. and 7:00 p.m., for adoption or rejection, of proposed amendments to the Home Rule Charter of the Town of Addison, Texas. Said election shall be held by the Dallas County Elections Administrator pursuant to a Joint Election Agreement and Contract for Elections Services, with respect to such Special Election as approved by the Town and the Dallas County Elections Administrator.

SECTION 3. The Election Day polling place where qualified voters shall cast ballots at such location in the Town of Addison, Texas, Special Election are as follows:

Fire Station 1: 4798 Airport Parkway, Addison, TX 75001-3364
Fire Station 2: 3950 Beltway Drive, Addison, TX 75001-4407

Election polls shall be open from 7:00 a.m. to 7:00 p.m. on the date of the election.

SECTION 4. PROPOSED CHARTER AMENDMENTS

- **Proposition A.** Amending various section of the Charter to provide clarification by changing “qualified voter” to “registered voter” because “qualified voter” is defined as a “registered voter” in the Texas Election Code.
- **Proposition B.** Amending various sections of the Charter to remove specific state law references and instead require that the City Council shall act in accordance with state law.
- **Proposition C.** Amending the title of Section 5.19 “Power to correct errors” to “Power to cancel taxes” to clarify what that section actually addresses.
- **Proposition D.** Amending Section 2.10 “Meetings of the City Council” to allow special meetings of the City Council to be called by three (3) councilmembers instead of four (4) as currently stated.
- **Proposition E.** Amending Section 2.10 “Meetings of the City Council” of the Charter of the Town of Addison, Texas, to allow special meetings of the City Council to be called by the City Manager.

If **Propositions D and E** are approved, Section 2.10 would read as follows:

Section 2.10. - Meetings of the City Council.

The City Council shall hold at least one or more regular meeting in each month at a time to be fixed by it for such regular meetings and may hold as many additional meetings during the month as may be necessary for the transaction of the business of the Town and its citizens. Except as allowed by state law, all meetings of the City Council shall be open to the public and shall be held and notice given in

accordance with applicable provisions of State law. Meetings shall be held at the Town Hall, except that the City Council may designate another place for such meetings and shall take such action as is reasonable and necessary to accommodate the public. Special meetings of the Council may be called by the Mayor or three (3) Council members or the City Manager, giving written notice of such meetings to the City Secretary, who shall notify each member of the Council and the City Manager of the time and place of each meeting and the purpose for which it was called.

- **Proposition F.** Amending the title of Section 11.23 “Rearrangement and numbering” to “Non-substantive changes” and amending Section 11.23 to provide ongoing authority for the city council, by ordinance, to make non-substantive changes for clarity, change terms of gender to gender-neutral terms and removing Section 11.18 “Gender clause.”

If **Proposition F** is approved, Section 11.23 would read as follows:

Section 11.23. – Non-substantive changes.

The City Council shall have the power, by ordinance, to:

- (a) renumber and rearrange all articles, sections, and paragraphs of the Charter, or any amendments thereto, as it shall deem appropriate; but, without changing the meaning or effect or any part hereof;*
- (b) change references to state law included in this charter to reflect a recodification or renumbering of such laws by the Texas legislature, (but without changing the meaning or effect of any part hereof);*
- (c) make non-substantive changes as needed for clarity; and*
- (d) change words of gender to gender-neutral terms.*

Upon the passage of any ordinance authorized in this section, a copy thereof, certified by the City Secretary, shall be forwarded to the Secretary of State.

Words of a singular number shall be held to include the plural and vice-versa, unless the context requires otherwise.

- **Proposition G.** Amending the title of Section 5.31 “General powers” to “General powers of taxation” to avoid confusion regarding the Town’s ability to levy taxes as authorized by state law and make clear it is not intended as a general grant of powers to the City Council.

If **Proposition G** is approved, Section 5.31 would read as follows:

Section 5.31. – General powers of taxation.

Unless otherwise provided by this Charter and by Ordinances passed hereunder, all property in the Town liable for taxation shall be assessed in accordance with the laws of the state insofar as applicable. In addition to the powers herein conferred with reference to the assessment and collection of taxes, the Town of Addison shall have and may exercise all powers and authority not prohibited by the laws of the State of Texas.

- **Proposition H.** Deleting Section 11.15 “Publicity of records” because the availability of records to the public is already governed by the Texas Public Information Act.
- **Proposition I.** Amending the Charter to remove outdated forms of petitions and simply require that all petitions conform with the requirements of state law.
- **Proposition J.** Amending the Charter to require that persons who sign a petition for candidacy

for office or a ballot measure must include either their date of birth or voter registration number as required by the Texas Election Code.

This would apply to Section 8.03 – Nominations, Section 9.01. – Initiative, Section 9.05. – Referendum, and Section 10.02. – Petitions for recall.

- **Proposition K.** Amending Section 8.03 “Nominations” to provide that an individual may become a candidate for Mayor or City Council by petition only and remove the option for self-nomination.
- **Proposition L.** Amending Section 8.03 “Nominations” to increase to 25, the minimum number of signatures for a petition to place a candidate in nomination for a City Council office in accordance with state law.
- **Proposition M.** Amending Section 8.03 “Nominations” to increase to 50, the maximum number of signatures for a petition to place a candidate in nomination for a City Council office.

If **Propositions K, L and M** are approved, Section 8.03 would read as follows:

Section 8.03. – Nominations.

Any person having the qualifications required by this Charter and state law may be placed in nomination by a petition signed by at least twenty-five (25) and not more than fifty (50) registered voters, who shall be designated as their sponsors. No voter shall sign more than one petition, and should a voter do so, their signature shall be void except as to the petition first signed. With each signature shall be stated the place of residence of the signer, giving the street, number or other description sufficient to identify it and the signer’s date of birth or voter registration number.

Persons who desire to be candidates, or petitioners placing a name in nomination, must file with the City Secretary during the dates and by the deadlines set forth in state law.

- **Proposition N.** Deleting Section 11.24 “Town depository” because the selection and designation of a depository for the Town is exclusively governed by state law.
- **Proposition O.** Amending Section 2.08(f) “Powers of the City Council” to require members of the Planning and Zoning Commission and Board of Zoning Adjustment to be residents and registered voters of the Town.
- **Proposition P.** Amending Section 2.08(f) “Powers of the City Council” to state that no one may serve concurrently on the Planning and Zoning Commission and the Board of Zoning Adjustment.

If **Propositions O and P** are approved, Section 2.08(f) would read as follows:

Section 2.08. – Powers of the City Council.

All powers of the Town and the determination of all matters of policy shall be vested in the City Council. Without limitation of the foregoing and among the other powers that may be exercised by the City Council, the following are hereby enumerated for greater certainty:

...

f. Appoint members of the Planning and Zoning Commission and the Board of Zoning Adjustment who shall be residents and registered voters of the Town. No one may serve concurrently on both boards;

- **Proposition Q.** Amending Section 7.04 “Planning and Zoning Commission” to change references to “City Zoning Commission” and “City Planning Commission” to the “Planning and Zoning Commission.”

If **Proposition Q** is approved, Section 7.04 would read as follows:

Section 7.04 – Planning and Zoning Commission.

The City Council shall have the power and authority to appoint a Planning and Zoning Commission, in accordance with state law; and the City Council and the Town of Addison shall have the rights, privileges, powers, and authority, given, permitted and granted under state law, relative to zoning and planning in, for, and of, municipalities, and their environs.

- **Proposition R.** Amending the title of Section 5.11 “Bonds, warrants and other evidences of indebtedness” to read “Bonds, warrants and other debt matters.”
- **Proposition S.** Amending Section 5.11(1) “Bonds, warrants and other debt matters” to clarify that the Town is authorized to issue debt for economic development purposes.

If **Propositions R and S** are approved, Section 5.11(1) would read as follows:

Section 5.11. - Bonds, warrants and other debt matters.

1. Power to issue. In keeping with the Constitution of the State of Texas, and not contrary thereto, the Town of Addison, shall have the right to issue all tax bonds, revenue bonds, funding and refunding bonds, time warrants and other evidences of indebtedness for any public purpose, so long as not prohibited by state law, including but not limited to, bonds or other evidences of indebtedness to promote or finance economic development within the City.

- **Proposition T.** Amending Section 2.04 “Compensation” to remove the requirement that the City Council approve at a public meeting, any reimbursements to councilmembers for actual expenses incurred in the performance of official duties.

If **Proposition T** is approved, Section 2.04 would read as follows:

Section 2.04. – Compensation.

Compensation of members of the City Council shall be determined by the Council by ordinance, but no increase in such compensation shall take effect until commencement of the terms of Mayor and/or Council members elected at the next regular election. Members of the City Council shall also be entitled to reimbursement for actual expenses incurred in the performance of official duties.

- **Proposition U.** Amending Section 7.03 “Master plan” to change the wording “official master plan” to the “Comprehensive Plan.” and amending Section 7.03 to state that the City Council may amend the Comprehensive Plan by majority vote of the City Council members present at a Council meeting.

If **Proposition U** is approved, Section 7.03 would read as follows:

Section 7.03. – Comprehensive plan.

- a. *The official Comprehensive Plan of the Town shall be used as a guide by the City Council and the city Planning and Zoning Commission for development of the Town with respect to land use, thoroughfares and streets, buffer zones, parks, and other matters affecting development.*
 - b. *The Comprehensive Plan may be amended by majority vote of those members of the Council that are present at a council meeting, and such amendments shall be entered therein and shall become part thereof and of the official records of the Town.*
- **Proposition V.** Amending Section 11.26 “Disaster clause” to remove the references to the “local Chamber of Commerce” and “Board of Trustees of the local school district” and instead direct that the Dallas County Judge appoint a commission, which shall include all surviving members of the City Council, in the event of a disaster when a quorum of the City Council cannot be assembled because of death or injury.

If **Proposition V** is approved, Section 11.26 would read as follows:

Section 11.26. – Disaster Clause.

In case of disaster when a legal quorum of the elected City Council cannot otherwise be assembled due to multiple deaths or injuries, the surviving members of the City Council or highest surviving City official, if no elected official remains, must within twenty-four (24) hours of such disaster, request the County Judge of Dallas County to appoint a five member commission, which shall include all surviving elected City officials, to govern the City, respond to the emergency and within fifteen (15) days of such disaster call a City election to be held as soon as practicable, or as provided in the Texas Election Code, for election of a required quorum, if for good reasons it is known that a quorum of the present City Council will never again meet.

- **Proposition W.** Amending Section 2.17 “Induction of Council into office” to clarify that the first meeting of the City Council following an election of members of the City Council shall be the meeting to canvass the election as provided by state law and the first order of business shall be to canvass the election, declare the results and seat the newly elected members.

If **Proposition W** is approved, Section 2.17 will read as follows:

Section 2.17. – Induction of Council into office.

The first meeting of the City Council following an election for one or more council offices, shall be to canvass the results of the election in accordance with state law. At such meeting, the first order of business shall be the canvassing of returns, declaring the results and the seating of such newly elected members of the Council following their oath of office.

- **Proposition X.** Amending Section 8.06 “Conducting and canvassing elections” to clarify that the first meeting of the City Council following a municipal election shall be the meeting to canvass the election and declare the results as provided by state law.

If **Proposition X**, is approved, Section 8.06 will read as follows:

Section 8.06. – Conducting and canvassing elections.

Returns of all municipal elections shall be made by the election officers to the Council at the first City Council meeting following the election, which shall be the meeting to canvass the election and declare the results in accordance with state law.

- **Proposition Y.** Deleting Section 11.27 “When provisions take effect” because it only applied to the initial Home Rule Charter election in 1979 and is now unnecessary.
- **Proposition Z.** Deleting Section 11.30 “Ordinance, rules and regulations validated” because it only applied to the initial Home Rule Charter election in 1979 and is now unnecessary.

SECTION 5. BALLOT PROPOSITIONS

The official ballots to be used in this special election shall comply with the applicable provisions of the Texas Election Code, shall state each proposed amendment separately and distinctly so that the voters shall pass upon each amendment separately and apart from another so that each voter may vote “For” or “Against” any amendment or amendments without voting “For” or “Against” all such amendments. Any non-substantive changes that need to be made for the ballot are hereby approved. A summary of the Propositions shall be set forth on said ballots in substantially the following form and language:

TOWN OF ADDISON – SPECIAL ELECTION

TOWN OF ADDISON PROPOSITION A

Shall the Charter of the Town of Addison, Texas, be amended to provide clarification by changing “qualified voter” to “registered voter” because “qualified voter” is defined as a “registered voter” in the Texas Election Code?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION B

Shall the Charter of the Town of Addison, Texas, be amended in various sections to remove specific state law references and instead require that the City Council shall act in accordance with state law?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION C

Shall Section 5.19 “Power to correct errors” of the Charter of the Town of Addison, Texas, be renamed to “Power to cancel taxes” to clarify what that section actually addresses?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION D

Shall Section 2.10 “Meetings of the City Council” of the Charter of the Town of Addison, Texas, be amended to allow special meetings of the City Council to be called by three (3) councilmembers instead of four (4) as currently stated?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION E

Shall Section 2.10 “Meetings of the City Council” of the Charter of the Town of Addison, Texas, be amended to allow special meetings of the City Council to be called by the City Manager?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION F

Shall Section 11.23 “Rearrangement and numbering” of the Charter of the Town of Addison, Texas, be renamed to “Non-substantive changes” and amended to provide ongoing authority for the city council, by ordinance, to make non-substantive changes for clarity, change terms of gender to gender-neutral terms and remove Section 11.18 “Gender clause?”	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION G

Shall Section 5.31 “General powers” of the Charter of the Town of Addison, Texas, be renamed to “General powers of taxation” to avoid confusion regarding the Town’s ability to levy taxes as authorized by state law and make clear it is not intended as a general grant of powers to the City Council?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION H

Shall Section 11.15 “Publicity of records” of the Charter of the Town of Addison, Texas, be deleted because the availability of records to the public is already governed by the Texas Public Information Act?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION I

Shall the Charter of the Town of Addison, Texas, be amended to remove outdated forms of petitions and simply require that all petitions conform with the requirements of state law?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION J

Shall the Charter of the Town of Addison, Texas, be amended to require that persons who sign a petition for candidacy for office or a ballot measure must include either their date of birth or voter registration number, as required by the Texas Election Code?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION K

Shall Section 8.03 “Nominations” of the Charter of the Town of Addison, Texas, be amended to provide that an individual may become a candidate for Mayor or City Council by petition only and remove the option for self-nomination?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION L

Shall Section 8.03 “Nominations” of the Charter of the Town of Addison, Texas, be amended to increase to 25, the minimum number of signatures for a petition to place a candidate in nomination for a City Council office in accordance with state law?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION M

Shall Section 8.03 “Nominations” of the Charter of the Town of Addison, Texas, be amended to increase to 50, the maximum number of signatures for a petition to place a candidate in nomination for a City Council office?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION N

Shall Section 11.24 “Town depository” of the Charter of the Town of Addison, Texas, be deleted because the selection and designation of a depository for the Town is exclusively governed by state law?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION O

Shall Section 2.08(f) “Powers of the City Council” of the Charter of the Town of Addison, Texas, be amended to require members of the Planning and Zoning Commission and Board of Zoning Adjustment to be residents and registered voters of the Town?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION P

Shall Section 2.08(f) “Powers of the City Council” of the Charter of the Town of Addison, Texas, be amended to state that no one may serve concurrently on the Planning and Zoning Commission and the Board of Zoning Adjustment?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION Q

Shall Section 7.04 “Planning and Zoning Commission” of the charter of the Town of Addison, Texas, be amended to change references to “City Zoning Commission” and “City Planning Commission” to the “Planning and Zoning Commission?”	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION R

Shall Section 5.11(1) “Bonds, warrants and other evidences of indebtedness” of the Charter of the Town of Addison, Texas, be renamed to “Bonds, warrants and other debt matters”?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION S

Shall the Charter of the Town of Addison, Texas, be amended to clarify that the Town is authorized to issue debt for economic development purposes?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION T

Shall Section 2.04 “Compensation” of the Charter of the Town of Addison, Texas, be amended to remove the requirement that the City Council approve at a public meeting, any reimbursements to councilmembers for actual expenses incurred in the performance of official duties? Expenditures would still be approved by the City Council during the budgeting process and records would be available in accordance with open records requirements.	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION U

Shall Section 7.03 “Master plan” of the Charter of the Town of Addison, Texas, be amended to change the wording “official master plan” to the “Comprehensive Plan” since that is the name of the Town’s long-range planning document and to state that the City Council may amend the Comprehensive Plan by majority vote of the City Council members present at a Council meeting?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION V

Shall Section 11.26 “Disaster clause” of the Charter of the Town of Addison, Texas, be amended to remove the references to the “local Chamber of Commerce” and “Board of Trustees of the local school district” and instead direct that the Dallas County Judge appoint a commission, which shall include all surviving members of the City Council, in the event of a disaster when a quorum of the City Council cannot be assembled because of death or injury?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION W

Shall Section 2.17 “Induction of Council into office” of the Charter of the Town of Addison, Texas, be amended to clarify that the first meeting of the City Council following an election of members of the City Council shall be the meeting to canvass the election as provided by state law and the first order of business shall be to canvass the election, declare the results and seat the newly elected members?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION X

Shall Section 2.17 “Induction of Council into office” of the Charter of the Town of Addison, Texas, be amended to clarify that the first meeting of the City Council following an election of members of the City Council shall be the meeting to canvass the election as provided by state law and the first order of business shall be to canvass the election, declare the results and seat the newly elected members?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION Y

Shall Section 11.27 “When provisions take effect” on the Charter of the Town of Addison, Texas, be deleted because it only applied to the initial Home Rule Charter election in 1979 and is now unnecessary?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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TOWN OF ADDISON PROPOSITION Z

Shall Section 11.30 “Ordinance, rules and regulations validated” of the Charter of the Town of Addison, Texas, be deleted because it only applied to the initial Home Rule Charter election in 1979 and is now unnecessary?	<input type="checkbox"/> FOR <input type="checkbox"/> AGAINST
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SECTION 6: EARLY VOTING BY PERSONAL APPEARANCE

Early voting by personal appearance begins on Tuesday, October 13, 2020 and ends on Friday, October 30, 2020 during the hours listed below:

- Tuesday, October 13, 2020 – 7:00 a.m. to 7:00 p.m.
- Wednesday, October 14, 2020 – 7:00 a.m. to 7:00 p.m.
- Thursday, October 15, 2020 – 7:00 a.m. to 7:00 p.m.
- Friday, October 16, 2020 – 7:00 a.m. to 7:00 p.m.
- Saturday, October 17, 2020 – 7:00 a.m. to 7:00 p.m.
- Sunday, October 18, 2020 – 1:00 a.m. to 6:00 p.m.
- Monday, October 19, 2020 – 7:00 a.m. to 7:00 p.m.
- Tuesday, October 20, 2020 – 7:00 a.m. to 7:00 p.m.
- Wednesday, October 21, 2020 – 7:00 a.m. to 7:00 p.m.
- Thursday, October 22, 2020 – 7:00 a.m. to 7:00 p.m.
- Friday, October 23, 2020 – 7:00 a.m. to 7:00 p.m.
- Saturday, October 24, 2020 – 7:00 a.m. to 7:00 p.m.
- Sunday, October 25, 2020 – 1:00 p.m. to 6:00 p.m.
- Monday, October 26, 2020 – 7:00 a.m. to 7:00 p.m.
- Tuesday, October 27, 2020 – 7:00 a.m. to 7:00 p.m.
- Wednesday, October 28, 2020 – 7:00 a.m. to 7:00 p.m.
- Thursday, October 29, 2020 – 7:00 a.m. to 7:00 p.m.
- Friday, October 30, 2020 – 7:00 a.m. to 7:00 p.m.

Early voting by personal appearance shall be held at Addison Fire Station 1- 4798 Airport Parkway, Addison, TX 75001-3364. Qualified voters of the City may vote at any of the additional early voting locations open under full contract services with the Dallas County Elections Administration.

SECTION 7. EARLY VOTING BY MAIL

The Dallas County Elections Administrator is hereby appointed as Early Voting Clerk. Applications for a ballot by mail shall be delivered to the early voting clerk, Toni Pippins-Poole, Dallas County Elections Administrator, 1520 Round Table Drive, Dallas, TX 75247. Applications for ballots by mail must be received no later than the close of business on October 23, 2020.

SECTION 8. ELECTION OFFICERS

The election officers for each polling place shall be appointed and compensated pursuant to the Joint Election Agreement and Contract for Election Services with the Dallas County Elections Administrator for said election on November 3, 2020.

SECTION 9. METHOD OF VOTING

Voting on the date of the Election and early voting shall be by the use of a lawfully approved voting system. The preparation of the voting equipment to be used in connection with such voting system and the official ballots for the Election shall conform to the Texas Election Code (“Code”), as amended. The specific voting machines to be used shall be provided by Dallas County in accordance with the Joint Election Agreement and Contract for Elections Services with the Dallas County Elections Administrator.

SECTION 10. NOTICE OF ELECTION

The City Secretary is hereby authorized and directed to publish and/or post, in the time and manner prescribed by law, all notices required to be so published and/or posted in connection with the conduct of this election. The Special Election Notice is attached hereto as **EXHIBIT A**.

SECTION 11. GOVERNING LAW

The election shall be held as set forth by the Charter and the Texas Election Code, and all resident registered voters of the City shall be eligible to vote in said Election. The Mayor and the City Secretary of the City, in consultation with the City Attorney, are hereby authorized and directed to take any and all actions necessary to comply with the provisions of the Texas Election Code and any other state or federal law in carrying out and conducting the election, whether or not expressly authorized herein.

SECTION 12. EFFECTIVE DATE

This ordinance shall take effect from and after its passage.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON,
TEXAS** on this 11th day of AUGUST 2020.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

APPROVED AS TO FORM:

Irma Parker, City Secretary

Brenda N. McDonald, City Attorney

NOTICE OF SPECIAL ELECTION
(AVISO DE ELECCION ESPECIAL)

To the Registered Voters of the Town of Addison Texas:

(A los votantes registrados de la Ciudad de Addison, Texas:)

Notice is hereby given that the polling places listed below will be open from 7:00 a.m. to 7:00 p.m., on November 3, 2020, for voting in a Special Election to amend the Home Rule Charter with 26 Propositions.
(El aviso se da por medio, que las casillas electorales sitadas abajo se abrirán desde las 7:00 a.m. hasta las 7:00 p.m. el 3 de noviembre del 2020, para votar en la Elección Especial para modificar la Carta de la Regla de Origen con 26 Proposiciones.)

TOWN OF ADDISON – SPECIAL ELECTION
(CIUDAD DE ADDISON – ELECCIONES ESPECIALES)

Proposition A: Shall the Charter of the Town of Addison, Texas, be amended to provide clarification by changing “qualified voter” to “registered voter” because “qualified voter” is defined as a “registered voter” in the Texas Election Code?

(Proposición A: ¿Se modificará la Carta de la Ciudad de Addison, Texas, para proporcionar aclaraciones cambiando "votante calificado" por "votante registrado" porque "votante calificado" se define como un "votante registrado" en el Código Electoral de Texas?)

Proposition B: Shall the Charter of the Town of Addison, Texas, be amended in various sections to remove specific state law references and instead require that the City Council shall act in accordance with state law?

(Proposición B: ¿Se modificará la Carta de la Ciudad de Addison, Texas, en varias secciones para eliminar referencias específicas de la ley estatal y en su lugar exigirá que el Concejo Municipal actúe de acuerdo con la ley estatal?)

Proposition C: Shall Section 5.19 “Power to correct errors” of the Charter of the Town of Addison, Texas, be renamed to “Power to cancel taxes” to clarify what that section actually addresses?

(Proposición C: ¿Se cambiará el nombre de la Sección 5.19 "Poder para corregir errores" de la Carta de la Ciudad de Addison, Texas, a "Poder para cancelar impuestos" para aclarar lo que esa sección realmente aborda?)

Proposition D: Shall Section 2.10 “Meetings of the City Council” of the Charter of the Town of Addison, Texas, be amended to allow special meetings of the City Council to be called by three (3) councilmembers instead of four (4) as currently stated?

(Proposición D: ¿Se modificará la Sección 2.10 "Reuniones del Concejo Municipal" de la Carta de la Ciudad de Addison, Texas, para permitir que las reuniones especiales del Concejo Municipal sean convocadas por tres (3) concejales en lugar de cuatro (4) como se indica actualmente?)

Proposition E: Shall Section 2.10 “Meetings of the City Council” of the Charter of the Town of Addison, Texas, be amended to allow special meetings of the City Council to be called by the City Manager?

(Proposición E: ¿Se modificará la Sección 2.10 "Reuniones del Concejo Municipal" de la Carta de la Ciudad de Addison, Texas, para permitir que las reuniones especiales del Concejo Municipal sean convocadas por el Administrador de la Ciudad?)

Proposition F: Shall Section 11.23 “Rearrangement and numbering” of the Charter of the Town of Addison, Texas, be renamed to “Non-substantive changes” and amended to provide ongoing authority for the city council, by ordinance, to make non-substantive changes for clarity, change terms of gender to gender-neutral terms and remove Section 11.18 “Gender clause?”

(Proposición F: ¿Se cambiará el nombre de la Sección 11.23 "Reorganización y numeración" de la Carta de la Ciudad de Addison, Texas, a "Cambios no sustantivos" y se modificará para proporcionar autoridad permanente para que el ayuntamiento, por ordenanza, realice cambios no sustantivos para mayor claridad, cambie los términos de género a términos neutrales en cuanto al género y elimine la Sección 11.18 "Cláusula de género?")

Proposition G: Shall Section 5.31 “General powers” of the Charter of the Town of Addison, Texas, be renamed to “General powers of taxation” to avoid confusion regarding the Town’s ability to levy taxes as authorized by state law and make clear it is not intended as a general grant of powers to the City Council?

(Proposición G: ¿Se cambiará el nombre de la Sección 5.31 "Poderes Generales" de la Carta de la Ciudad de Addison, Texas, a "Poderes generales de imposición" para evitar confusiones con respecto a la capacidad de la Ciudad de recaudar impuestos según lo autorizado por la ley estatal y dejar claro que no está destinada a ser una concesión general de poderes al Ayuntamiento?)

Proposition H: Shall Section 11.15 “Publicity of records” of the Charter of the Town of Addison, Texas,

be deleted because the availability of records to the public is already governed by the Texas Public Information Act?

(Proposición H: ¿Se eliminará la Sección 11.15 "Publicidad de registros" de la Carta de la Ciudad de Addison, Texas, porque la disponibilidad de registros al público ya está regida por la Ley de Información Pública de Texas?)

Proposition I: Shall the Charter of the Town of Addison, Texas, be amended to remove outdated forms of petitions and simply require that all petitions conform with the requirements of state law?

(Proposición I: ¿Se modificará la Carta de la Ciudad de Addison, Texas, para eliminar las formas obsoletas de peticiones y simplemente exigir que todas las peticiones se ajusten a los requisitos de la ley estatal?)

Proposition J: Shall the Charter of the Town of Addison, Texas, be amended to require that persons who sign a petition for candidacy for office or a ballot measure must include either their date of birth or voter registration number, as required by the Texas Election Code?

(Proposición J: ¿Se modificará la Carta de la Ciudad de Addison, Texas, para exigir que las personas que firmen una solicitud de candidatura para un cargo o una medida de votación deben incluir su fecha de nacimiento o número de registro de votante según lo requerido por el Código Electoral de Texas?)

Proposition K: Shall Section 8.03 “Nominations” of the Charter of the Town of Addison, Texas, be amended to provide that an individual may become a candidate for Mayor or City Council by petition only and remove the option for self-nomination?

(Proposición K: ¿Se modificará la Sección 8.03 "Nominaciones" de la Carta de la Ciudad de Addison, Texas, para prever que una persona pueda convertirse en candidata a Alcalde o Concejal Municipal por petición solamente y eliminar la opción de auto-nominación?)

Proposition L: Shall Section 8.03 “Nominations” of the Charter of the Town of Addison, Texas, be amended to increase to 25, the minimum number of signatures for a petition to place a candidate in nomination for a City Council office in accordance with state law?

(Proposición L: ¿Se modificará la Sección 8.03 "Nominaciones" de la Carta de la Ciudad de Addison, Texas, para aumentar a 25, el número mínimo de firmas para una petición para colocar a un candidato en la nominación para una oficina del Concejo Municipal de acuerdo con la ley estatal?)

Proposition M: Shall Section 8.03 “Nominations” of the Charter of the Town of Addison, Texas, be amended to increase to 50, the maximum number of signatures for a petition to place a candidate in nomination for a City Council office?

(Proposición M: ¿Se modificará la Sección 8.03 "Nominaciones" de la Carta de la Ciudad de Addison, Texas, para aumentar a 50, el número máximo de firmas para una petición para colocar a un candidato en la nominación para un puesto en el Concejo Municipal?)

Proposition N: Shall Section 11.24 “Town depository” of the Charter of the Town of Addison, Texas, be deleted because the selection and designation of a depository for the Town is exclusively governed by state law?

(Proposición N: ¿Se eliminará la Sección 11.24 "Depositario de la Ciudad" de la Carta de la Ciudad de Addison, Texas, porque la selección y designación de un depositario para la Ciudad se rige exclusivamente por la ley estatal?)

Proposition O: Shall Section 2.08(f) “Powers of the City Council” of the Charter of the Town of Addison, Texas, be amended to require members of the Planning and Zoning Commission and Board of Zoning Adjustment to be residents and registered voters of the Town?

(Proposición O: ¿Se modificará la Sección 2.08(f) "Poderes del Concejo Municipal" de la Carta de la Ciudad de Addison, Texas, para exigir que los miembros de la Comisión de Planificación y Zonificación y la Junta de Ajuste de Zonificación sean residentes y votantes registrados de la Ciudad?)

Proposition P: Shall Section 2.08(f) “Powers of the City Council” of the Charter of the Town of Addison, Texas, be amended to state that no one may serve concurrently on the Planning and Zoning Commission and the Board of Zoning Adjustment?

(Proposición P: ¿Se modificará la Sección 2.08(f) "Poderes del Concejo Municipal" de la Carta de la Ciudad de Addison, Texas, para indicar que nadie puede servir simultáneamente en la Comisión de Planificación y Zonificación y en la Junta de Ajuste de Zonificación?)

Proposition Q: Shall Section 7.04 “Planning and Zoning Commission” of the charter of the Town of Addison, Texas, be amended to change references to “City Zoning Commission” and “City Planning Commission” to the “Planning and Zoning Commission”?

(Proposición Q: ¿Se modificará la Sección 7.04 "Comisión de Planificación y Zonificación" de la Carta de la Ciudad de Addison, Texas, para cambiar las referencias a "Comisión de Zonificación Municipal" y "Comisión de Planificación Municipal" a la "Comisión de Planificación y Zonificación"?)

Proposition R: Shall Section 5.11(1) “Bonds, warrants and other evidences of indebtedness” of the Charter of the Town of Addison, Texas, be renamed to “Bonds, warrants and other debt matters”?

(Proposición R: ¿Se cambiará el nombre de la Sección 5.11(1) "Bonos, garantías y otras evidencias de endeudamiento" de la Carta de la Ciudad de Addison, Texas, a "Bonos, garantías y otros asuntos de deuda"?)

Proposition S: Shall the Charter of the Town of Addison, Texas, be amended to clarify that the Town is authorized to issue debt for economic development purposes?

(Proposición S: ¿Se modificará la Carta de la Ciudad de Addison, Texas, para aclarar que la Ciudad está autorizada a emitir deudas con fines de desarrollo económico?)

Proposition T: Shall Section 2.04 “Compensation” of the Charter of the Town of Addison, Texas, be amended to remove the requirement that the City Council approve at a public meeting, any reimbursements to councilmembers for actual expenses incurred in the performance of official duties? Expenditures would still be approved by the City Council during the budgeting process and records would be available in accordance with open records requirements.

(Proposición T: ¿Se modificará la Sección 2.04 "Compensación" de la Carta de la Ciudad de Addison, Texas, para eliminar el requisito de que el Concejo Municipal apruebe en una reunión pública cualquier reembolso a los concejales por los gastos reales incurridos en la ejecución de sus deberes oficiales? Los gastos seguirían siendo aprobados por el Ayuntamiento durante el proceso de presupuestación y los registros estarían disponibles de acuerdo con los requisitos de los registros abiertos?)

Proposition U: Shall Section 7.03 “Master plan” of the Charter of the Town of Addison, Texas, be amended to change the wording “official master plan” to the “Comprehensive Plan” since that is the name of the Town’s long-range planning document and to state that the City Council may amend the Comprehensive Plan by majority vote of the City Council members present at a Council meeting?

(Proposición U: ¿Se modificará la Sección 7.03 "Plan Maestro" de la Carta de la Ciudad de Addison, Texas, para cambiar el término "Plan Maestro Oficial" a "Plan Integral" ya que ese es el nombre del documento de planificación de largo alcance de la Ciudad y para indicar que el Concejo Municipal puede modificar el Plan Integral por mayoría de votos de los miembros del Ayuntamiento presentes en una reunión del Consejo?)

Proposition V: Shall Section 11.26 “Disaster clause” of the Charter of the Town of Addison, Texas, be amended to remove the references to the “local Chamber of Commerce” and “Board of Trustees of the local school district” and instead direct that the Dallas County Judge appoint a commission, which shall include all surviving members of the City Council, in the event of a disaster when a quorum of the City Council cannot be assembled because of death or injury?

(Proposición V: ¿Se modificará la Sección 11.26 "Cláusula de Desastre" de la Carta de la Ciudad de Addison, Texas, para eliminar las referencias a la "Cámara de Comercio local" y "Junta de Síndicos del distrito escolar local" y en su lugar dar instrucciones para que el Juez del Condado de Dallas nombre una comisión, que incluirá a los miembros supervivientes del Ayuntamiento, en caso de desastre cuando un quórum del Ayuntamiento no pueda lograrse a causa de muerte o lesión?)

Proposition W: Shall Section 2.17 “Induction of Council into office” of the Charter of the Town of Addison, Texas, be amended to clarify that the first meeting of the City Council following an election of members of the City Council shall be the meeting to canvass the election as provided by state law and the first order of business shall be to canvass the election, declare the results and seat the newly elected members?

(Proposición W: ¿Se modificará la Sección 2.17 "Inducción del Consejo al cargo" de la Carta de la Ciudad de Addison, Texas, para aclarar que la primera reunión del Concejo Municipal tras las elecciones de los miembros del Ayuntamiento será la reunión para sondear las elecciones como lo estipula la ley estatal, y el primer orden del día será sondear las elecciones, declarar los resultados y nombrar a los miembros recién elegidos?)

Proposition X: Shall Section 8.06 “Conducting and canvassing elections” of the Charter of the Town of Addison, Texas, be amended to clarify that the first meeting of the City Council following a municipal election shall be the meeting to canvass the election and declare the results as provided by state law?

(Proposición X: ¿Se modificará la Sección 8.06 "Conducir y sondear elecciones" de la Carta de la Ciudad de Addison, Texas, para aclarar que la primera reunión del Ayuntamiento después de una elección municipal será la reunión para sondear las elecciones y declarar los resultados según lo dispuesto por la ley estatal?)

Proposition Y: Shall Section 11.27 “When provisions take effect” on the Charter of the Town of Addison, Texas, be deleted because it only applied to the initial Home Rule Charter election in 1979 and is now unnecessary?

(Proposición Y: ¿Se eliminará la Sección 11.27 "Cuando las disposiciones entren en vigor" de la Carta de la Ciudad de Addison, Texas, porque sólo se aplicaba a las elecciones iniciales de los Estatutos Municipales en 1979 y ahora es innecesaria?)

Proposition Z: Shall Section 11.30 “Ordinance, rules and regulations validated” of the Charter of the Town

of Addison, Texas, be deleted because it only applied to the initial Home Rule Charter election in 1979 and is now unnecessary?

(Proposición Z: ¿Se eliminará la Sección 11.30 "Ordenanza, reglas y reglamentos validados" de la Carta de la Ciudad de Addison, Texas, porque sólo se aplicaba a las elecciones iniciales de los Estatutos Municipales en 1979 y ahora es innecesaria?)

~~LOCATION(S) OF ELECTION DAY POLLING PLACES IN THE TOWN OF ADDISON~~

(UBICACIÓN DE LOS SITIOS DE VOTACIÓN DEL DÍA DE LAS ELECCIONES EN LA CIUDAD DE ADDISON)

~~Fire Station 1: 4798 Airport Parkway, Addison, TX 75001-3364~~

(Estación de bomberos 1: 4798 Airport Parkway, Addison, TX 75001-3364)

~~Fire Station 2: 3950 Beltway Drive, Addison, TX 75001-4407~~

(Estación de bomberos 2: 3950 Beltway Drive, Addison, TX 75001-4407)

~~LOCATION(S) OF EARLY VOTING BY PERSONAL APPEARANCE IN THE TOWN OF ADDISON~~

(UBICACIÓN DE LOS SITIOS DE VOTACIÓN ANTICIPADA EN PERSONA EN LA CIUDAD DE ADDISON)

~~Fire Station 1: 4798 Airport Parkway, Addison, TX 75001-3364~~

(Estación de bomberos 1: 4798 Airport Parkway, Addison, TX 75001-3364)

PLEASE NOTE: Dallas County Election Department will utilize countywide Vote Centers, which will enable any Addison registered voter in Dallas County to vote at any designated polling location on Election Day and during Early Voting by Personal Appearance. A complete list of Vote Centers as designated by the Dallas County Elections Administrator, including the Town of Addison polling places listed above may be found at – <http://www.dallascountyvotes.org>

(TENGA EN CUENTA QUE: El Departamento Electoral del Condado de Dallas utilizará los Centros de votación del Condado, lo cual permitirá que cualquier elector de Addison registrado en el Condado de Dallas pueda votar en cualquier sitio de votación designado, el día de las elecciones y durante la votación anticipada por comparecencia en persona. Una lista completa de los Centros de votación designados por el Administrador electoral del Condado de Dallas, incluyendo los sitios de votación de la Ciudad de Addison mencionados anteriormente, se puede encontrar en – <https://www.dallascountyvotes.org>)

EARLY VOTING DATES AND TIMES

Main Early Voting Location: *(Ubicación principal de votación adelantada):*

Dallas County Elections Department, 1520 Round Table Drive, Dallas, TX 75247

Application for a Ballot by Mail may be downloaded from website: evapplications@dallascounty.org

(Solicitud para Boleta por Correo se puede descargar de nuestro sitio web):

Information by phone: Dallas County Elections Department - 469-627-8683

(Información por teléfono: (Departamento de Elecciones del Condado de Dallas)

Applications for a Ballot by Mail must be submitted by the close of business on April 21, 2020 to:

(Solicitudes para una Boleta por Correo pueden ser sometidas hasta el cierre de negocios el 21 de Abril del 2020 a):

Toni Pippins-Poole, Joint Early Voting Clerk
(Secretario De Votación Adelantada Conjunta)
Dallas County Elections
1520 Round Table Drive
Dallas, TX 75247

ISSUED THIS THE 11th day of AUGUST 2020.

(Emitido este día 11TH de AGOSTO del 2020.)

Joe Chow, Mayor *(Alcalde)*

Town of Addison, Texas

(Ciudad de Addison, Texas)

Council Meeting

7.

Meeting Date: 08/11/2020

Department: Finance

Pillars: Excellence in Asset Management
Gold Standard for Financial Health

Milestones: Implement the Asset Management Plan
Improve all modes of transportation with infrastructure in an acceptable condition and well maintained
Continue development and implementation of Long Term Financial Plan

AGENDA CAPTION:

Present, Discuss, and Consider Action on an **Ordinance Authorizing the Issuance of Town of Addison, Texas, General Obligation Bonds, Series 2020.**

BACKGROUND:

On November 5, 2019, the Town of Addison had all five bond propositions approved by voters totaling \$70,620,000. The 2020 General Obligation Bond issuance would generate \$15,135,000 in project funds from the following authorizations:

- \$14,030,000 from the authorized \$22,300,000 from Proposition A for street improvements. This would fund the design costs associated with the Keller Springs Road and Airport Parkway reconstruction projects, to which contracts have been awarded by Council. The funds also include proceeds for the construction phase of Keller Springs Road.
- \$365,000 of the authorized \$6,723,000 from Proposition C for parks and recreation improvements and facilities. This would fund the design of improvements to the Addison Athletic Club, including locker room reconfiguration, gymnasium and track improvements, and pool modernization.
- \$140,000 from the authorized \$7,395,000 from Proposition D for improvements to existing municipal buildings. This would fund the design of the HVAC and roof at the Addison Athletic Club as well as the boiler replacement, for which the Council has approved a reimbursement resolution and the project is completed.
- \$600,000 from the authorized \$600,000 from Proposition E for traffic control systems for which a contract has been awarded by Council.

Certain details concerning the General Obligation Bonds will not be known until the completion of the sale on August 11, 2020. This information will be made available at the Council meeting on August 11, 2020, prior to the discussion of this item. The ordinance will be updated at the meeting.

The Town of Addison's AAA/Aaa bond ratings from Standard and Poor's and Moody's were reaffirmed as part of this bond sale.

RECOMMENDATION:

Administration recommends approval.

Attachments

Ordinance - Authorization of 2020 General Obligation Bonds

ORDINANCE

relating to

\$ _____
TOWN OF ADDISON, TEXAS
GENERAL OBLIGATION BONDS
SERIES 2020

Dated: August 1, 2020

Adopted: August 11, 2020

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AN ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN OF ADDISON, TEXAS, GENERAL OBLIGATION BONDS, SERIES 2020 IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____; AWARDING THE SALE THEREOF; LEVYING A TAX, AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A PAYING AGENT/REGISTRAR AGREEMENT; APPROVING THE OFFICIAL STATEMENT; ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, the Town of Addison (the “Town”) intends to issue bonds to finance public improvements the City Council considers necessary within the Town; and

WHEREAS, the bonds hereinafter authorized were duly and favorably voted, as required by the Constitution and laws of the State of Texas, at elections held in the Town, on May 12, 2012 and November 5, 2019 (the “Elections”); and

WHEREAS, at the Elections, the following are among the purposes and amounts of the bonds which were authorized, reflecting any amount previously issued pursuant to each voted authorization, the amount therefrom being issued pursuant to this Ordinance, and the balance that remains unissued after the issuance of the bonds herein authorized, to wit: and

Purpose	Date Authorized	Amount Authorized	Amount Previously Issued	Amount Being Issued⁽¹⁾	Unissued Balance
Street Utilities	5/12/2012	\$29,500,000	\$6,500,000	\$-0-	\$23,000,000
Parking Facilities	5/12/2012	3,000,000	-0-	-0-	3,000,000
Keller Springs Road and Airport Parkway Improvements	11/5/2019	22,300,000	-0-	14,030,000	8,270,000
Quorum Drive and Montfort Drive Improvements	11/5/2019	33,602,000	-0-	-0-	33,602,000
Parks and Recreation	11/5/2019	6,723,000	-0-	365,000	6,358,000
Town Facilities and Improvements	11/5/2019	7,395,000	-0-	140,000	7,255,000
Traffic Control Systems	11/5/2019	<u>600,000</u>	<u>-0-</u>	<u>600,000</u>	<u>600,000</u>
		<u>\$103,120,000</u>	<u>\$6,500,000</u>	<u>\$15,135,000</u>	<u>\$81,485,000</u>

#6205211.3

Includes premium in the amount of \$ _____ allocated to voted authorization.

WHEREAS, the City Council has found and determined that it is necessary and in the best interests of the Town and its citizens that it issue such bonds authorized by this Ordinance; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and public notice of the time, place, and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, THAT:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section I.1. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

“Business Day” means a day that is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the city where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close.

“Bond” means any of the Bonds.

“Bonds” means the bonds authorized to be issued by Section 3.01 of this Ordinance and designated as “Town of Addison, Texas, General Obligation, Taxable Series 2020.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code, and (d) the Regulations promulgated under the provisions described in (b) and (c).

“Delivery Date” means the date of delivery of the Bonds to the Purchasers and designated as the initial date of the Bonds by Section 3.02(a) of this Ordinance.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named herein, its office in Dallas, Texas, or at such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the Town and such successor.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“EMMA” means the Electronic Municipal Market Access System.

“Event of Default” means any event of default as defined in Section 10.01 of this Ordinance.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means such fiscal year as shall from time to time be set by the City Council.

“Initial Bond” means the initial bond authorized by Section 3.04(d) of this Ordinance.

“Interest and Sinking Fund” means the interest and sinking fund established by Section 2.02 of this Ordinance.

“Interest Payment Date” means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being February 15 and August 15 of each year commencing February 15, 2021.

“MSRB” means the Municipal Securities Rulemaking Board.

“Ordinance” means this Ordinance.

“Owner” means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

“Paying Agent/Registrar” means initially The Bank of New York Mellon Trust Company, National Association, Dallas, Texas, or any successor thereto as provided in this Ordinance.

“Purchaser(s)” means the initial purchaser(s) of the Bonds as set forth in Section ____.

“Record Date” means the last Business Day of the month next preceding an Interest Payment Date.

“Register” means the Register specified in Section 3.06(a) of this Ordinance.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Representations Letter” means the Blanket Letter of Representations between the Town and DTC.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“Special Payment Date” means the Special Payment Date prescribed by Section 3.03(b).

“Special Record Date” means the Special Record Date prescribed by Section 3.03(b).

“Town” means the Town of Addison, Texas.

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal of, redemption premium, if any, or interest on the Bonds as the same come due and payable or money set aside for the payment of Bonds duly called for redemption prior to maturity.

Section I.2. Findings.

The declarations, determinations, and findings declared, made, and found in the preamble to this Ordinance are hereby adopted, restated, and made a part of the operative provisions hereof.

Section I.3. Table of Contents, Titles, and Headings.

The table of contents, titles, and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section I.4. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

ARTICLE II

SECURITY FOR THE BONDS; INTEREST AND SINKING FUND

Section II.1. Payment of the Bonds.

(a) Pursuant to the authority granted by the Texas Constitution and laws of the State of Texas, there shall be levied and there is hereby levied for the current year and for each succeeding year thereafter while any of the Bonds or any interest thereon is outstanding and unpaid, an ad valorem tax on each one hundred dollars valuation of taxable property within the Town, at a rate sufficient, within the limit prescribed by law, to pay the debt service requirements of the Bonds, being (i) the interest on the Bonds, and (ii) a sinking fund for their redemption at maturity or a sinking fund of two percent per annum (whichever amount is the greater), when due and payable, full allowance being made for delinquencies and costs of collection.

(b) The ad valorem tax thus levied shall be assessed and collected each year against all property appearing on the tax rolls of the Town most recently approved in accordance with law, and the money thus collected shall be deposited as collected to the Interest and Sinking Fund.

(c) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Bonds when and as due and payable in accordance with their terms and this Ordinance.

(d) If the liens and provisions of this Ordinance shall be released in a manner permitted by Article XI hereof, then the collection of such ad valorem tax may be suspended or appropriately reduced, as the facts may permit, and further deposits to the Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit. In determining the aggregate principal amount of outstanding Bonds, there shall be subtracted the amount of any Bonds that have been duly called for redemption and for which money has been deposited with the Paying Agent/Registrar for such redemption.

Section II.2. Interest and Sinking Fund.

(a) The Town hereby establishes a special fund or account to be designated the "Town of Addison, Texas, General Obligation Bonds, Series 2020, Interest and Sinking Fund" (the "Interest and Sinking Fund") said fund to be maintained at an official depository bank of the Town separate and apart from all other funds and accounts of the Town.

(b) Money on deposit in or required by this Ordinance to be deposited to the Interest and Sinking Fund shall be used solely for the purpose of paying the interest on and principal of the Bonds when and as due and payable in accordance with their terms and this Ordinance.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS
REGARDING THE BONDS

Section III.1. Authorization.

The Town’s bonds to be designated “Town of Addison, Texas, General Obligation Bonds, Series 2020” (the “Bonds”), are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, specifically Chapter 1331, Texas Government Code, as amended. The Bonds shall be issued in the aggregate principal amount of \$_____ for the following purposes, to wit: (i) constructing and improving Keller Springs Road and Airport Parkway, including sidewalks, bridges, landscaping, streetlighting, right-of-way protection, and related storm drainage improvements and acquiring rights-of-way in connection therewith, (ii) acquiring, developing, renovating and improving parks, park facilities, recreation facilities, including the Addison Athletic Club, and open spaces for park and recreation purposes in and for the Town, including the acquisition of land therefor, (iii) renovating, repairing, improving, and equipping existing Town service, public safety, conference and administrative facilities, including repair, replacement, and improvement of roofs, mechanical, electrical, plumbing, air conditioning, heating and ventilation equipment and systems, façade improvements, and improvements required by the Americans with Disabilities Act and other applicable laws, (iv) improving, acquiring and equipping advanced traffic control systems and facilities and (v) paying of the costs of issuance of the Bonds.

Section III.2. Date, Denomination, Maturities, and Interest.

(a) The Bonds shall be dated August 1, 2020. The Bonds shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof and shall be numbered separately from one upward, except the Initial Bond, which shall be numbered T-1.

(b) The Bonds shall mature on February 15 in the years and in the principal amounts set forth in the following schedule:

<u>Years</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Years</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2/15/2021			2/15/2031		
2/15/2022			2/15/2032		
2/15/2023			2/15/2033		
2/15/2024			2/15/2034		
2/15/2025			2/15/2035		
2/15/2026			2/15/2036		
2/15/2027			2/15/2037		
2/15/2028			2/15/2038		
2/15/2029			2/15/2039		
2/15/2030			2/15/2040		

(c) Interest shall accrue and be paid on each Bond respectively until its maturity or prior redemption from the later of the date of delivery of the Bonds to the Purchaser (the “Delivery Date”) or the most recent interest payment date to which interest has been paid or provided for at the rates per annum for each maturity specified in the schedule contained in subsection (b) above. Such interest shall be payable semiannually on February 15 and August 15 of each year commencing February 15, 2021, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section III.3. Medium, Method, and Place of Payment.

(a) The principal of, redemption premium, if any, and interest on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on the Bonds shall be payable to the Owners as shown in the Register at the close of business on the Record Date; provided, however, in the event of nonpayment of interest on a scheduled Interest Payment Date and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) shall be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date,” which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Bond appearing on the Register at the close of business on the last Business Day next preceding the date of mailing of such notice.

(c) Interest shall be paid by check, dated as of and mailed on the Interest Payment Date, and sent by the Paying Agent/Registrar to each Owner, first class United States mail, postage prepaid, to the address of each Owner as it appears in the Register, or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, that the Owner shall bear all risk and expense of such alternative banking arrangement. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar.

(d) The principal of each Bond shall be paid to the Owner thereof on the due date, whether at the maturity date or the date of prior redemption thereof upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the paying Agent/Registrar is located are required or authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

(f) Unclaimed Payments shall be segregated in a special escrow account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owners of the Bonds to which the Unclaimed Payments pertain. Subject to Title 6 of the Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Bonds, shall be paid to the Town to be used for any lawful purpose. Thereafter, neither the Town, the Paying Agent/Registrar, nor any other person shall be liable or responsible to any Owners of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to Title 6 of the Texas Property Code.

Section III.4. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the Town by the Mayor and the City Secretary, by their manual or facsimile signatures, and the official seal of the Town shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the Town had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the Town whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bonds shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bonds delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his duly authorized agent, which Certificate shall be evidence that the Bond has been duly approved by the Attorney General of the State of Texas, that it is a valid and binding obligation of the Town, and that it has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, one initial Bond (the "Initial Bond") representing the entire principal amount of all Bonds, payable in stated installments to the initial purchaser, or its designee, executed by the Mayor and City Secretary of the Town, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the initial purchaser or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC on behalf of the initial purchaser one registered definitive Bond for each year of maturity of the Bonds in the aggregate

principal amount of all Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC.

Section III.5. Ownership.

(a) The Town, the Paying Agent/Registrar, and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as herein provided (except interest shall be paid to the person in whose name such Bond is registered on the Record Date or Special Record Date, as applicable), and for all other purposes, whether or not such Bond is overdue, and neither the Town nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Bond shall be valid and effectual and shall discharge the liability of the Town and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section III.6. Registration, Transfer, and Exchange.

(a) So long as any Bonds remain outstanding, the Town shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Ordinance.

(b) The ownership of a Bond may be transferred only upon the presentation and surrender of the Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in a denomination or denominations of any integral multiple of \$5,000, and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) Each exchange Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the Town and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond.

(f) Neither the Town nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption, in whole or in part, within 45 calendar

days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

Section III.7. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Ordinance, shall be canceled and proper records made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall then return such canceled Bonds to the Town or may in accordance with law dispose of such cancelled Bonds.

Section III.8. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the Town may execute and, upon the Town's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed, or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions, and other variations as the officers of the Town executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Ordinance.

(c) The Town, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and shall authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section III.9. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The Town or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a

number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction, or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar to save it and the Town harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar, and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the Town and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the Town and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the Town or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed, or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the Town and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section III.10. Book-Entry-Only System.

(a) Notwithstanding any other provision hereof, upon initial issuance of the Bond, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC. The definitive Bonds shall be initially issued in the form of a single separate bond for each of the maturities thereof.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Town and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Town and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of

redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the Town and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Town's obligations with respect to payment of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the Town to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(c) The Representations Letter previously executed and delivered by the Town, and applicable to the Town's obligations delivered in book-entry-only form to DTC as securities depository, is hereby ratified and approved for the Bonds.

Section III.11. Successor Securities Depository; Transfer Outside Book-Entry-Only System.

In the event that the Town or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representations Letter of the Town to DTC, and that it is in the best interest of the Town and the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the Town shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section III.12. Payments to Cede & Co.

Notwithstanding any other provision of this Ordinance to the contrary, so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such

Bonds shall be made and given, respectively, in the manner provided in the Representations Letter of the Town to DTC.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section IV.1. Limitation on Redemption.

The Bonds shall be subject to redemption before scheduled maturity only as provided in this Article IV.

Section IV.2. Optional Redemption.

(a) The Town reserves the option to redeem Bonds maturing on and after February 15, 2030 in whole or any part, before their respective scheduled maturity dates, on August 15, 2029 or on any date thereafter, such redemption date or dates to be fixed by the Town, at a price equal to the principal amount of the Bonds called for redemption plus accrued interest to the date fixed for redemption.

(b) If less than all of the Bonds are to be redeemed pursuant to an optional redemption, the Town shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity or maturities and in such principal amounts for redemption.

(c) The Town, at least 45 days before the redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds to be redeemed.

Section IV.3. Reserved.

Section IV.4. Partial Redemption.

(a) A portion of a single Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. If such a Bond is to be partially redeemed, the Paying Agent/Registrar shall treat each \$5,000 portion of the Bond as though it were a single Bond for purposes of selection for redemption.

(b) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Ordinance, shall authenticate and deliver an exchange Bonds in an aggregate principal amount equal to the unredeemed portion of the Bonds so surrendered, such exchange being without charge.

(c) The Paying Agent/Registrar shall promptly notify the Town in writing of the principal amount to be redeemed of any Bond as to which only a portion thereof is to be redeemed.

Section IV.5. Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register at the close of business on the Business Day next preceding the date of mailing such notice.

(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section IV.6. Payment Upon Redemption.

(a) Before or on each redemption date, the Town shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust such amounts as are received by the Paying Agent/Registrar from the Town and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office of the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Bond to the date of redemption from the money set aside for such purpose.

Section IV.7. Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 4.05 of this Ordinance, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the Town defaults in its obligation to make provision for the payment of the principal thereof, redemption premium, if any, or accrued interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

(b) If the Town shall fail to make provision for payment of all sums due on a redemption date, then any Bond or portion thereof called for redemption shall continue to bear interest at the rate stated on the Bond until due provision is made for the payment of same by the Town.

Section IV.8. Conditional Notice of Redemption.

The Town reserves the right to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the

redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the Town retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the Town delivers a certificate of the Town to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional notice of redemption, the failure of the Town to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

Section IV.9. Lapse of Payment.

Money set aside for the redemption of Bonds and remaining unclaimed by the Owners of such Bonds shall be subject to the provisions of Section 3.03(f) hereof.

ARTICLE V

PAYING AGENT/REGISTRAR

Section V.1. Appointment of Initial Paying Agent/Registrar.

The Bank of New York Mellon Trust Company, National Association, Dallas, Texas, is hereby appointed as the initial Paying Agent/Registrar for the Bonds.

Section V.2. Qualifications.

Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State of Texas, or other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Bonds.

Section V.3. Maintaining Paying Agent/Registrar.

(a) At all times while any of the Bonds are outstanding, the Town will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance. The Mayor is hereby authorized and directed to execute an agreement with the Paying Agent/Registrar specifying the duties and responsibilities of the Town and the Paying Agent/Registrar in substantially the form presented at this meeting, such form of agreement being hereby approved. The signature of the Mayor shall be attested by the City Secretary of the Town.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the Town will promptly appoint a replacement.

Section V.4. Termination.

The Town, upon not less than sixty (60) days' notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination.

Section V.5. Notice of Change to Owners.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the Town will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address thereof in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section V.6. Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section V.7. Delivery of Records to Successor.

If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE BONDS

Section VI.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Bond of the Paying Agent/Registrar, and the Assignment form to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the Town or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds, if any, shall be typewritten, photocopied, printed, lithographed, or engraved, and may be produced by any combination of these methods or

produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section VI.2. Form of the Bonds.

The form of the Bonds, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds, shall be substantially as follows:

(a) Form of Bond.

REGISTERED
No. _____

REGISTERED
\$ _____

United States of America
State of Texas
County of Dallas
TOWN OF ADDISON, TEXAS
GENERAL OBLIGATION BOND
SERIES 2020

INTEREST RATE: MATURITY DATE: DELIVERY DATE: CUSIP NUMBER:
_____ % February 15, _____ September 10, 2020 _____

The Town of Addison (the "Town"), in the County of Dallas, State of Texas, for value received, hereby promises to pay to

or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been provided for, and to pay interest on such principal amount from the later of Delivery Date specified above or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2021.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the designated office in Dallas, Texas, of The Bank of New York Mellon Trust Company, National Association, as Paying Agent/Registrar (the "Designated Payment/Transfer Office"), or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office of such successor Paying Agent/Registrar. Interest on this Bond is payable by check dated as of the interest payment date, and will be mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the registered owner; provided, however, such registered owner shall bear all risk and expenses of such customary banking arrangement. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a

scheduled payment date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") shall be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which date shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

If the date for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

This Bond is dated August 1, 2020 and is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$_____ (herein referred to as the "Bonds"), issued pursuant to a certain ordinance of the Town (the "Ordinance") for the purpose of providing funds for certain public improvements within the Town as described in the Ordinance, and to pay for the professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the Bonds.

The Town has reserved the option to redeem the Bonds maturing on or after February 15, 2030, in whole or in part, before their respective scheduled maturity dates, on August 15, 2029, or on any date thereafter, at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest to the date fixed for redemption. If less than all of the Bonds are to be redeemed, the Town shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot or other customary method that results in a random selection the Bonds, or portions thereof, within such maturity and in such principal amounts, for redemption.

Notice of such redemption or redemptions shall be given by first class mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the registered owner of each of the Bonds to be redeemed in whole or in part. Notice having been so given, the Bonds or portions thereof designated for redemption shall become due and payable on the redemption date specified in such notice; from and after such date, notwithstanding that any of the Bonds or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.

The Town reserves the right to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the Town

retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the Town delivers a certificate of the Town to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional notice of redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the Town to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Town for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the Town nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

The Town, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date, or the Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the Town nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law, and has been authorized by a vote of the properly qualified electors of the Town; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that ad valorem taxes upon all taxable property in the Town have been levied for and pledged to the payment of the debt service requirements of the Bonds, within the limit prescribed by law; and that the total indebtedness of the Town, including the Bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Town has caused this that the issuance of this Bond and the series of which it is a part is duly authorized by law, and has been authorized by a vote of the properly qualified electors of the Town; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that ad valorem

taxes upon all taxable property in the Town have been levied for and pledged to the payment of the debt service requirements of the Bonds, within the limit prescribed by law; and that the total indebtedness of the Town, including the Bonds, does not exceed any constitutional or statutory limitation.

to be executed by the manual or facsimile signature of the Mayor of the Town and countersigned by the manual or facsimile signature of the City Secretary, and the official seal of the Town has been duly impressed or placed in facsimile on this Bond.

Mayor, Town of Addison, Texas

City Secretary,
Town of Addison, Texas

[SEAL]

(b) Form of Comptroller's Registration Certificate. The following Comptroller's Registration Certificate may be deleted from the definitive Bonds if such certificate on the Initial Bond is fully executed.

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS § REGISTER NO. _____
OF THE STATE OF TEXAS §

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the Town of Addison, Texas; and that this Bond has this day been registered by me.

Witness my hand and seal of office at Austin, Texas, _____.

Comptroller of Public Accounts
of the State of Texas

(c) Form of Certificate of Paying Agent/Registrar. The following Certificate of Paying Agent/Registrar may be deleted from each Initial Bond if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Bond of this series of Bonds was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Bonds referred to in the within-mentioned Ordinance.

THE BANK OF NEW YORK MELLON
TRUST COMPANY,
NATIONAL ASSOCIATION,
as Paying Agent/Registrar

Dated: _____

By: _____

Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The Signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(e) The Initial Bond shall be in the form set forth in subsections (a) through (d) of this Section, except for the following alterations:

(i) immediately under the name of the Bond, the headings “INTEREST RATE,” and “MATURITY DATE” shall both be completed with the words “As Shown Below” and the words “CUSIP NO.” shall be deleted;

(ii) in the first paragraph of the Bond, the words “on the Maturity Date specified above, the sum of _____ DOLLARS” shall be deleted and the following will be inserted: “on the fifteenth day of February in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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(Information to be inserted from Section 3.02(c) hereof).

(iii) the Initial Bond shall be numbered T-1.

Section VI.3. CUSIP Registration.

The Town may secure identification numbers through the CUSIP Service Bureau managed by S & P Global Market Intelligence on behalf of the American Bankers Association, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect in regard to the legality thereof and neither the Town nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section VI.4. Legal Opinion.

The approving legal opinion of Bracewell LLP, Bond Counsel, may be attached to or printed on the reverse side of each Bond over the certification of the City Secretary of the Town, which may be executed in facsimile.

Section VI.5. Statement Insurance.

A statement relating to a municipal bond insurance policy, if any, to be issued for the Bonds, may be printed on each Bond.

ARTICLE VII

SALE AND DELIVERY OF BONDS; DEPOSIT OF PROCEEDS; FLOW OF FUNDS

Section VII.1. Sale of Bonds; Official Statement.

(a) The Bonds, having been duly advertised and offered for sale at competitive bid, are hereby officially sold and awarded to _____ (the "Purchaser") for a purchase price equal to the principal amount thereof, plus a cash premium in the amount of \$_____, being the bid which produced the lowest true interest cost to the Town. The Initial Bond shall be registered in the name of the Purchaser or its designee.

(b) The form and substance of the Preliminary Official Statement and any addenda, supplement or amendment thereto, are hereby in all respects approved and adopted and is hereby deemed final as of its date within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Mayor and City Secretary are hereby authorized and directed to cause to be prepared a final Official Statement (the "Official Statement") incorporating applicable pricing information pertaining to the Bonds, and to execute the same by manual or facsimile signature and deliver appropriate numbers of executed copies thereof to the Purchaser. The Official Statement as thus approved and delivered, with such appropriate variations as shall be approved by the Mayor and the Purchaser, may be used by the Purchaser in the public offering and sale thereof. The City Secretary is hereby authorized and directed to include and maintain a copy of the Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Official Statement, and the preliminary public offering of the Bonds by the Purchaser, is hereby ratified, approved and confirmed.

(c) All officers of the Town are authorized to execute such documents, certificates and receipts as they may deem appropriate in order to consummate the delivery of the Bonds in accordance with the terms of sale therefor. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the Town is hereby authorized and directed to issue a check of the Town payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount per series to be the lesser of (i) 1/10th of 1% of the principal amount of such series of the Bonds or (ii) \$9,500.)

(d) The obligation of the Purchaser to accept delivery of the Bonds is subject to the Purchaser being furnished with the final, approving opinion of Bracewell LLP, bond counsel for the Town, which opinion shall be dated and delivered the Closing Date.

Section VII.2. Control and Delivery of Bonds.

(a) The Mayor of the Town is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination, and approval of the Attorney General of the State of Texas, registration by the Comptroller of

Public Accounts of the State of Texas and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Bonds shall be made to the Purchaser or a representative thereof under and subject to the general supervision and direction of the Mayor, against receipt by the Town of all amounts due to the Town under the terms of sale.

(c) In the event the Mayor or City Secretary is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem and the Assistant City Secretary, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro Tem and the Assistant City Secretary shall for the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor and City Secretary, respectively.

Section VII.3. Deposit of Proceeds.

(a) The proceeds of the Bonds received on the Closing Date, shall be deposited to a special account of the Town, such moneys to be dedicated and used solely for the purposes for which the Bonds are being issued as herein provided in Section 3.01. To the extent any of such amount is not used for such purposes, such excess shall be deposited to the Interest and Sinking Fund.

ARTICLE VIII

CREATION OF FUNDS AND ACCOUNTS; DEPOSIT OF PROCEEDS; INVESTMENTS

Section VIII.1. Creation of Funds.

(a) The Town hereby establishes the following special funds or accounts:

(i) The Town of Addison, Texas, General Obligation Bonds, Series 2020, Interest and Sinking Fund; and

(ii) The Town of Addison, Texas General Obligation Bonds, Series 2020 Construction Fund.

(b) These funds or accounts shall be maintained at an official depository of the Town.

Section VIII.2. Interest and Sinking Fund.

(a) The taxes levied under Section 2.01 shall be deposited to the credit of the Interest and Sinking Fund at such times and in such amounts as necessary for the timely payment of the principal of and interest on the Bonds.

(b) If the amount of money in the Interest and Sinking Fund is at least equal to the aggregate principal amount of the outstanding Bonds plus the aggregate amount of interest due

and that will become due and payable on such Bonds, no further deposits to that fund need be made.

(c) Money on deposit in the Interest and Sinking Fund shall be used to pay the principal of and interest on the Bonds as such become due and payable.

Section VIII.3. Construction Fund. Money on deposit in the Construction Fund, including investment earnings thereof, shall be used for the purposes specified in Section 3.01 of this Ordinance.

(a) All amounts remaining in the Construction Fund after the accomplishment of the purposes for which the Bonds are hereby issued, including investment earnings of the Construction Fund, shall be deposited into the Interest and Sinking Fund.

Section VIII.4. Security of Funds.

All moneys on deposit in the funds referred to in this Ordinance shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

Section VIII.5. Deposit of Proceeds.

(a) Proceeds of the Bonds in the amount of \$_____, (including premium received on the Bonds in the amount of \$_____ allocated to voted authorization), shall be deposited to the Construction Fund.

(b) Premium generated on the Bonds in the amount of \$_____ shall be deposited to a special fund, such moneys to be dedicated and used for paying the costs of issuance. Any amounts remaining after the payment of the costs of issuance shall be deposited to the Interest and Sinking Fund.

Section VIII.6. Investments.

(a) Money in the Interest and Sinking Fund created by this Ordinance, at the option of the Town, may be invested in such securities or obligations as permitted under applicable law.

(b) Any securities or obligations in which such money is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

Section VIII.7. Investment Income.

(a) Interest and income derived from investment of the Interest and Sinking Fund be credited to such fund.

(b) Interest and income derived from investment of the funds to be deposited pursuant to Section 7.03(b) hereof shall be credited to the account where deposited until the acquisition or construction of said projects is completed and thereafter, to the extent such interest and income are present, such interest and income shall be deposited to the Interest and Sinking Fund.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section IX.1. Payment of the Bonds.

On or before each Interest Payment Date for the Bonds and while any of the Bonds are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such interest on and principal of, redemption premium, if any, and interest on the Bonds as will accrue or mature on the applicable Interest Payment Date, maturity date and, if applicable, on a date of prior redemption.

Section IX.2. Other Representations and Covenants.

(a) The Town will faithfully perform, at all times, any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Bond; the Town will promptly pay or cause to be paid the principal of, redemption premium, if any, and interest on each Bond on the dates and at the places and manner prescribed in such Bond; and the Town will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The Town is duly authorized under the laws of the State of Texas to issue the Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the Town in accordance with their terms.

Section IX.3. Federal Income Tax Matters.

(a) General. The Town covenants not to take any action or omit to take any action that, if taken or omitted, would cause the interest on the Bonds to be includable in gross income for federal income tax purposes. In furtherance thereof, the Town covenants to comply with sections 103 and 141 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the Town in connection with the Bonds.

(b) No Private Activity Bonds. The Town covenants that it will use the proceeds of the Bonds (including investment income) and the property financed, directly or indirectly, with such proceeds so that the Bonds will not be “private activity bonds” within the meaning of section 141 of the Code. Furthermore, the Town will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Bonds to be a “private activity bond” unless it takes a remedial action permitted by section 1.141-12 of the Regulations.

(c) No Federal Guarantee. The Town covenants not to take any action or omit to take any action that, if taken or omitted, would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

(d) No Hedge Bonds. The Town covenants not to take any action or omit to take action that, if taken or omitted, would cause the Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code.

(e) No Arbitrage Bonds. The Town covenants that it will make such use of the proceeds of the Bonds (including investment income) and regulate the investment of such proceeds of the Bonds so that the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code.

(f) Required Rebate. The Town covenants that, if the Town does not qualify for an exception to the requirements of section 148(f) of the Code, the Town will comply with the requirement that certain amounts earned by the Town on the investment of the gross proceeds of the Bonds, be rebated to the United States.

(g) Information Reporting. The Town covenants to file or cause to be filed with the Secretary of the Treasury an information statement concerning the Bonds in accordance with section 149(e) of the Code.

(h) Record Retention. The Town covenants to retain all material records relating to the expenditure of the proceeds (including investment income) of the Bonds and the use of the property financed, directly or indirectly, thereby until three years after the last Bond is redeemed or paid at maturity (or such other period as provided by subsequent guidance issued by the Department of the Treasury) in a manner that ensures their complete access throughout such retention period.

(i) Registration. If the Bonds are “registration-required bonds” under section 149(a)(2) of the Code, the Bonds will be issued in registered form.

(j) Favorable Opinion of Bond Counsel. Notwithstanding the foregoing, the Town will not be required to comply with any of the federal tax covenants set forth above if the Town has received an opinion of nationally recognized bond counsel that such noncompliance will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

(k) Continuing Compliance. Notwithstanding any other provision of this Ordinance, the Town’s obligations under the federal tax covenants set forth above will survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the excludability of interest on the Bonds from gross income for federal income tax purposes.

(l) Official Intent. For purposes of section 1.150-2(d) of the Regulations, to the extent that an official intent to reimburse has not previously been adopted by the Town, this Ordinance serves as the Town’s official declaration of intent to use proceeds of the Bonds to reimburse itself from proceeds of the Bonds issued in the maximum amount authorized by this Ordinance for certain expenditures paid in connection with the projects set forth herein. Any

such reimbursement will only be made (i) for an original expenditure paid no earlier than 60 days prior to the date hereof and (ii) not later than 18 months after the later of (A) the date the original expenditure is paid or (B) the date the project to which such expenditure relates is placed in service or abandoned, but in to event more than three years after the original expenditure is paid.

Section IX.4. No Private Use or Payment and No Private Loan Financing.

The Town covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from Bond proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Bonds will not be “private activity bonds” within the meaning of section 141 of the Code. Moreover, the Town will certify, through an authorized officer, employee or agent, that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “private activity bonds” within the meaning of section 141 of the Code.

Section IX.5. No Federal Guaranty.

The Town covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

Section IX.6. No Hedge Bonds.

The Town covenants and agrees not to take any action, or knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code.

Section IX.7. No Arbitrage.

The Town covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from Bond proceeds, regulate investments of proceeds of the Bonds, and take such other and further action as may be required so that the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code. Moreover, the Town will certify, through an authorized officer, employee or agent, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of section 148(a) of the Code.

Section IX.8. Arbitrage Rebate.

If the Town does not qualify for an exception to the requirements of section 148(f) of the Code relating to the required rebate to the United States, the Town will take all necessary steps to comply with the requirement that certain amounts earned by the Town on the investment of the “gross proceeds” of the Bonds (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the Town will (i) maintain records regarding the

investment of the gross proceeds of the Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Bonds separately from records of amounts on deposit in the funds and accounts of the Town allocable to other Bond issues of the Town or moneys that do not represent gross proceeds of any bond issues of the Town, (ii) determine at such times as are required by the applicable Regulations, the amount earned from the investment of the gross proceeds of the Bonds that is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Bonds, or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, the Town will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

Section IX.9. Information Reporting.

The Town covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, an information statement concerning the Bonds, all under and in accordance with section 149(e) of the Code.

Section IX.10. Record Retention.

The Town will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Bonds until three years after the last Bond is redeemed or paid at maturity, or such shorter period as authorized by subsequent guidance issued by the Department of the Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the Town to retrieve and reproduce such books and records in the event of an examination of the Bonds by the Internal Revenue Service.

Section IX.11. Registration.

The Bonds will be issued in registered form.

Section IX.12. Deliberate Actions.

The Town will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Bonds to fail to meet any requirement of section 141 of the Code after the issue date of the Bonds unless an appropriate remedial action is permitted by section 1.141-12 of the Regulations, the Town takes such remedial action, and a Counsel's Opinion is obtained that such remedial action cures any failure to meet the requirements of section 141 of the Code.

Section IX.13. Continuing Obligation.

Notwithstanding any other provision of this Ordinance, the Town's obligations under the covenants and provisions of Sections 9.03 through 9.13, inclusive, shall survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the excludability of interest on the Bonds from gross income for federal income tax purposes.

ARTICLE X

DEFAULT AND REMEDIES

Section X.1. Events of Default.

Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

- (i) the failure to make payment of the principal of, redemption premium, if any, or interest on any of the Bonds when the same becomes due and payable; or
- (ii) default in the performance or observance of any other covenant, agreement, or obligation of the Town, which default materially and adversely affects the rights of the Owners, including but not limited to their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any Owner to the Town.

Section X.2. Remedies for Default.

(a) Upon the happening of any Event of Default, then any Owner or an authorized representative thereof, including but not limited to a trustee or trustees therefor, may proceed against the Town for the purpose of protecting and enforcing the rights of the Owners under this Ordinance by mandamus or other suit, action or special proceeding in equity or at law in any court of competent jurisdiction for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section X.3. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

ARTICLE XI

DISCHARGE

Section XI.1. Discharge.

The Bonds may be defeased, discharged or refunded in any manner permitted by applicable law.

ARTICLE XII

CONTINUING DISCLOSURE UNDERTAKING

Section XII.1. Annual Reports.

(a) The Town shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the Town, financial information and operating data with respect to the Town of the general type included in the final Official Statement, being information described in the Tables numbered 1 through 6 and 8 through 15, including financial statements of the Town if audited financial statements of the Town are then available, and (2) if not provided as part such financial information and operating data, audited financial statements of the Town, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles appended to the Official Statement, or such other accounting principles as the Town may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the Town commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the Town shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

(b) If the Town changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Town otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific referenced to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

Section XII.2. Material Event Notices.

(a) The Town shall notify the MSRB, in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Town;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.
- (xv) incurrence of a financial obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

For these purposes, any event described in the immediately preceding clause (xii) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar

officer for the Town in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets of business of the Town; and the Town intends the words used in the immediately preceding paragraphs (xv) and (xvi) and the definition of financial obligations in those sections to have the same meanings as when they are used in rule and sec release no. 34-83885, dated August 20, 2018.

(b) The Town shall provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, notice of a failure by the Town to provide required annual financial information and notices of material events in accordance with Sections 12.01 and 12.02. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

Section XII.3. Limitations, Disclaimers and Amendments.

(a) The Town shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Town remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Town in any event will give notice of any redemption calls and any defeasances that cause the Town to be no longer an “obligated person.”

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Town undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Town’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The Town does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE TOWN BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE TOWN, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the Town in observing or performing its obligations under this Article shall constitute a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the Town under federal and state securities laws.

(e) The provisions of this Article may be amended by the Town from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Town, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (B) an entity or individual person that is unaffiliated with the Town (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. If the Town so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 12.01 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in type of financial information or operating data so provide.

ARTICLE XIII

AMENDMENTS

Section XIII.1. Amendments.

This Ordinance shall constitute a contract with the Owners, be binding on the Town, and shall not be amended or repealed by the Town so long as any Bond remains outstanding except as permitted in this Section. The Town may, without consent of or notice to any Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Town may, with the written consent of the Owners of the Bonds holding a majority in aggregate principal amount of the Bonds then outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of outstanding Bonds, no such amendment, addition, or rescission shall extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, give any preference to any Bond over any other Bond, or reduce the aggregate principal amount of Bonds required to be held by Owners for consent to any such amendment, addition, or rescission.

ARTICLE XIV

MISCELLANEOUS

Section XIV.1. Changes to Ordinance.

The Mayor and Director of Finance, in consultation with Bond Counsel, are hereby authorized to make changes to the terms of this Ordinance if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Bonds by the Attorney General of Texas.

Section XIV.2. Partial Invalidity.

If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of the Ordinance.

Section XIV.3. No Personal Liability.

No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Ordinance, against any official or employee of the Town or any person executing any Bonds.

ARTICLE XV

EFFECTIVENESS

Section XV.1. Effectiveness.

This Ordinance shall take effect immediately from and after its passage.

APPROVED AND ADOPTED this August 11, 2020.

Mayor, Town of Addison, Texas

ATTEST:

City Secretary, Town of Addison, Texas

APPROVED AS TO FORM:

By: _____
Town Attorney, Town of Addison, Texas

Council Meeting

8.

Meeting Date: 08/11/2020

Department: Finance

Pillars: Gold Standard for Financial Health

Milestones: Continue development and implementation of Long Term Financial Plan

AGENDA CAPTION:

Present, Discuss, and Consider Action on an **Ordinance Authorizing the Issuance of Town of Addison, Texas, General Obligation Refunding Bonds, Taxable Series 2020.**

BACKGROUND:

At the June 9, 2020, Council meeting, staff presented a plan to take advantage of a favorable market environment to refund the 2012 General Obligation Bonds and 2013B Taxable General Obligation Bonds. Estimates provided at the June 9, 2020, Council meeting were that the refunding would create \$795,088, or 6.50%, in Net Present Value savings over the remaining life of the debt.

Certain details concerning the General Obligation Taxable Refunding Bonds will not be known until the completion of the sale on August 11, 2020. This information will be made available at the Council meeting on August 11, 2020, prior to the discussion of this item. The ordinance will be updated at the meeting.

The Town of Addison's AAA/Aaa bond ratings from Standard and Poor's and Moody's were reaffirmed as part of this bond sale.

RECOMMENDATION:

Administration recommends approval.

Attachments

Ordinance - Authorization of 2020 General Obligation Taxable Refunding Bonds

ORDINANCE

relating to

\$ _____
TOWN OF ADDISON, TEXAS
GENERAL OBLIGATION REFUNDING BONDS
TAXABLE SERIES 2020

Dated: August 1, 2020

Adopted: August 11, 2020

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AN ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN OF ADDISON, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2020 IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____; AWARDING THE SALE THEREOF; LEVYING A TAX, AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT; APPROVING THE OFFICIAL STATEMENT; ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, there are presently outstanding certain obligations of the Town of Addison, Texas (the "Town"), which are secured by and payable from ad valorem taxes levied on property within the Town in an amount sufficient to pay principal of and interest on such obligations as they become due within the limits prescribed by law; and

WHEREAS, the Town now desires to refund such obligations described on Schedule I hereto (such refunded obligations to be hereinafter referred to as the "Refunded Bonds"); and

WHEREAS, Chapter 1207, Texas Government Code, as amended ("Chapter 1207") authorizes the Town to issue refunding bonds for the purpose of refunding or defeasing the Refunded Bonds in advance of their maturities, and to accomplish such refunding or defeasance by depositing directly with a paying agent for the Refunded Bonds (or other qualified escrow agent), the proceeds of such refunding bonds, together with other available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Bonds, and provides that such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Bonds; and

WHEREAS, Chapter 1207 further authorizes the Town to enter into an escrow agreement with a commercial bank with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the Town and such bank may agree, provided that such deposits may be invested and reinvested only in investments permitted under Chapter 1207 and the ordinances authorizing the Refunded Bonds, and which shall mature and bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment or prepayment of the Refunded Bonds;

WHEREAS, the Town desires to authorize the execution of an escrow agreement in order to provide for the deposit of proceeds of the refunding bonds and, to the extent specified pursuant hereto, other lawfully available funds of the Town, to pay the redemption price of the Refunded Bonds when due; and

WHEREAS, the Escrow Agreement hereinafter authorized constitutes an escrow agreement of the kind authorized and permitted by said Chapter 1207;

WHEREAS, upon the issuance of the refunding bonds herein authorized and the deposit of funds referred to above, the Refunded Bonds shall no longer be regarded as being outstanding, except for the purpose of being paid pursuant to such deposit, and the pledges, liens, trusts and all other covenants, provisions, terms and conditions of the orders authorizing the issuance of the Refunded Bonds shall be, with respect to the Refunded Bonds, discharged, terminated

WHEREAS, the City Council hereby finds and determines that the issuance of the refunding bonds will result in a net present value debt service savings in the amount of \$ _____ and that such savings and the refunding contemplated in this Ordinance will benefit the Town and that such benefit is sufficient consideration for the refunding of the Refunded Bonds; and

WHEREAS, the City Council of the Town hereby finds and determines that the issuance and delivery of the bonds hereinafter authorized is in the public interest and the use of the proceeds in the manner herein specified constitutes a valid public purpose; and

WHEREAS, the City Council has found and determined that it is necessary and in the best interests of the Town and its citizens that it issue such bonds authorized by this Ordinance; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and public notice of the time, place, and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, THAT:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section I.1. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

“Bond” means any of the Bonds.

“Bonds” means the bonds authorized to be issued by Section 3.01 of this Ordinance and designated as “Town of Addison, Texas, General Obligation Refunding Bonds, Taxable Series 2020.

“Business Day” means a day that is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the city where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings, and court decisions.

“Delivery Date” means the date of delivery of the Bonds to the Purchasers and designated as the initial date of the Bonds by Section 3.02(a) of this Ordinance.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named herein, its office in Dallas, Texas, or at such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the Town and such successor.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“EMMA” means the Electronic Municipal Market Access System.

“Escrow Agent” means the Bank of New York Mellon Trust Company, N.A. or any successor thereto.

“Escrow Agreement” means the Escrow Agreement relating to the Bonds, by and between the Escrow Agent and the Town authorized in Article 14.

“Escrow Fund” means the fund referred to in Section 14.3 of this Ordinance and established by the Escrow Agreement to hold cash and securities for the payment of principal and interest on the Refunded Bonds.

“Event of Default” means any event of default as defined in Section 10.01 of this Ordinance.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means such fiscal year as shall from time to time be set by the City Council.

“Initial Bond” means the initial bond authorized by Section 3.04(d) of this Ordinance.

“Interest and Sinking Fund” means the interest and sinking fund established by Section 2.02 of this Ordinance.

“Interest Payment Date” means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being February 15 and August 15 of each year commencing February 15, 2021.

“MSRB” means the Municipal Securities Rulemaking Board.

“Ordinance” means this Ordinance.

“Owner” means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

“Paying Agent/Registrar” means initially The Bank of New York Mellon Trust Company, National Association, Dallas, Texas, or any successor thereto as provided in this Ordinance.

“Purchaser(s)” means the initial purchaser(s) of the Bonds as set forth in Section ____.

“Record Date” means the last Business Day of the month next preceding an Interest Payment Date.

“Refunded Bonds” means those obligations of the Town set forth in Schedule I hereto.

“Register” means the Register specified in Section 3.06(a) of this Ordinance.

“Representations Letter” means the Blanket Letter of Representations between the Town and DTC.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“Special Payment Date” means the Special Payment Date prescribed by Section 3.03(b).

“Special Record Date” means the Special Record Date prescribed by Section 3.03(b).

“Town” means the Town of Addison, Texas.

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal of, redemption premium, if any, or interest on the Bonds as the same come due and payable or money set aside for the payment of Bonds duly called for redemption prior to maturity.

Section I.2. Findings.

The declarations, determinations, and findings declared, made, and found in the preamble to this Ordinance are hereby adopted, restated, and made a part of the operative provisions hereof.

Section I.3. Table of Contents, Titles, and Headings.

The table of contents, titles, and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section I.4. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

ARTICLE II

SECURITY FOR THE BONDS; INTEREST AND SINKING FUND

Section II.1. Payment of the Bonds.

(a) Pursuant to the authority granted by the Texas Constitution and laws of the State of Texas, there shall be levied and there is hereby levied for the current year and for each succeeding year thereafter while any of the Bonds or any interest thereon is outstanding and unpaid, an ad valorem tax on each one hundred dollars valuation of taxable property within the Town, at a rate sufficient, within the limit prescribed by law, to pay the debt service requirements of the Bonds, being (i) the interest on the Bonds, and (ii) a sinking fund for their redemption at maturity or a sinking fund of two percent per annum (whichever amount is the greater), when due and payable, full allowance being made for delinquencies and costs of collection.

(b) The ad valorem tax thus levied shall be assessed and collected each year against all property appearing on the tax rolls of the Town most recently approved in accordance with law, and the money thus collected shall be deposited as collected to the Interest and Sinking Fund.

(c) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund are hereby pledged and

committed irrevocably to the payment of the principal of and interest on the Bonds when and as due and payable in accordance with their terms and this Ordinance.

(d) If the liens and provisions of this Ordinance shall be released in a manner permitted by Article XI hereof, then the collection of such ad valorem tax may be suspended or appropriately reduced, as the facts may permit, and further deposits to the Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit. In determining the aggregate principal amount of outstanding Bonds, there shall be subtracted the amount of any Bonds that have been duly called for redemption and for which money has been deposited with the Paying Agent/Registrar for such redemption.

Section II.2. Interest and Sinking Fund.

(a) The Town hereby establishes a special fund or account to be designated the “Town of Addison, Texas, General Obligation Refunding Bonds, Taxable Series 2020, Interest and Sinking Fund” (the “Interest and Sinking Fund”) said fund to be maintained at an official depository bank of the Town separate and apart from all other funds and accounts of the Town.

(b) Money on deposit in or required by this Ordinance to be deposited to the Interest and Sinking Fund shall be used solely for the purpose of paying the interest on and principal of the Bonds when and as due and payable in accordance with their terms and this Ordinance.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS
REGARDING THE BONDS

Section III.1. Authorization.

The Town’s bonds to be designated “Town of Addison, Texas, General Obligation Refunding Bonds, Taxable Series 2020” (the “Bonds”), are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, specifically Chapter 1331, Texas Government Code, as amended. The Bonds shall be issued in the aggregate principal amount of \$_____ to provide funds to (i) refund the Refunded Bonds and (ii) pay of the costs of issuance of the Bonds.

Section III.2. Date, Denomination, Maturities, and Interest.

(a) The Bonds shall be dated August 1, 2020. The Bonds shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof and shall be numbered separately from one upward, except the Initial Bond, which shall be numbered T-1.

(b) The Bonds shall mature on February 15 in the years and in the principal amounts set forth in the following schedule:

<u>Years</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Years</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
--------------	-------------------------	----------------------	--------------	-------------------------	----------------------

2/15/2021	2/15/2026
2/15/2022	2/15/2027
2/15/2023	2/15/2031
2/15/2024	2/15/2032
2/15/2025	2/15/2033

(c) Interest shall accrue and be paid on each Bond respectively until its maturity or prior redemption from the later of the date of delivery of the Bonds to the Purchaser (the “Delivery Date”) or the most recent interest payment date to which interest has been paid or provided for at the rates per annum for each maturity specified in the schedule contained in subsection (b) above. Such interest shall be payable semiannually on February 15 and August 15 of each year commencing February 15, 2021, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section III.3. Medium, Method, and Place of Payment.

(a) The principal of, redemption premium, if any, and interest on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on the Bonds shall be payable to the Owners as shown in the Register at the close of business on the Record Date; provided, however, in the event of nonpayment of interest on a scheduled Interest Payment Date and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) shall be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date,” which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Bond appearing on the Register at the close of business on the last Business Day next preceding the date of mailing of such notice.

(c) Interest shall be paid by check, dated as of and mailed on the Interest Payment Date, and sent by the Paying Agent/Registrar to each Owner, first class United States mail, postage prepaid, to the address of each Owner as it appears in the Register, or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, that the Owner shall bear all risk and expense of such alternative banking arrangement. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar.

(d) The principal of each Bond shall be paid to the Owner thereof on the due date, whether at the maturity date or the date of prior redemption thereof upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the paying Agent/Registrar is located are required or

authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

(f) Unclaimed Payments shall be segregated in a special escrow account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owners of the Bonds to which the Unclaimed Payments pertain. Subject to Title 6 of the Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Bonds, shall be paid to the Town to be used for any lawful purpose. Thereafter, neither the Town, the Paying Agent/Registrar, nor any other person shall be liable or responsible to any Owners of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to Title 6 of the Texas Property Code.

Section III.4. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the Town by the Mayor and the City Secretary, by their manual or facsimile signatures, and the official seal of the Town shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the Town had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the Town whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bonds shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bonds delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his duly authorized agent, which Certificate shall be evidence that the Bond has been duly approved by the Attorney General of the State of Texas, that it is a valid and binding obligation of the Town, and that it has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, one initial Bond (the “Initial Bond”) representing the entire principal amount of all Bonds, payable in stated installments to the initial purchaser, or its designee, executed by the Mayor and City Secretary of the Town, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the initial purchaser or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC on behalf of the initial purchaser one registered definitive Bond for each year of maturity of the Bonds in the aggregate principal amount of all Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC.

Section III.5. Ownership.

(a) The Town, the Paying Agent/Registrar, and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as herein provided (except interest shall be paid to the person in whose name such Bond is registered on the Record Date or Special Record Date, as applicable), and for all other purposes, whether or not such Bond is overdue, and neither the Town nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Bond shall be valid and effectual and shall discharge the liability of the Town and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section III.6. Registration, Transfer, and Exchange.

(a) So long as any Bonds remain outstanding, the Town shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the “Register”) in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Ordinance.

(b) The ownership of a Bond may be transferred only upon the presentation and surrender of the Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in a denomination or denominations of any integral multiple of \$5,000, and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) Each exchange Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the Town and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond.

(f) Neither the Town nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption, in whole or in part, within 45 calendar days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

Section III.7. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Ordinance, shall be canceled and proper records made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall then return such canceled Bonds to the Town or may in accordance with law dispose of such cancelled Bonds.

Section III.8. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the Town may execute and, upon the Town's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed, or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions, and other variations as the officers of the Town executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Ordinance.

(c) The Town, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and shall authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section III.9. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously

outstanding. The Town or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction, or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar to save it and the Town harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar, and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the Town and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the Town and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the Town or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed, or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the Town and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section III.10. Book-Entry-Only System.

(a) Notwithstanding any other provision hereof, upon initial issuance of the Bond, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC. The definitive Bonds shall be initially issued in the form of a single separate bond for each of the maturities thereof.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Town and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Town and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the Town and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Town's obligations with respect to payment of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the Town to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(c) The Representations Letter previously executed and delivered by the Town, and applicable to the Town's obligations delivered in book-entry-only form to DTC as securities depository, is hereby ratified and approved for the Bonds.

Section III.11. Successor Securities Depository; Transfer Outside Book-Entry-Only System.

In the event that the Town or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representations Letter of the Town to DTC, and that it is in the best interest of the Town and the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the Town shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name

or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section III.12. Payments to Cede & Co.

Notwithstanding any other provision of this Ordinance to the contrary, so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the Representations Letter of the Town to DTC.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section IV.1. Limitation on Redemption.

The Bonds shall be subject to redemption before scheduled maturity only as provided in this Article IV.

Section IV.2. Optional Redemption.

(a) The Town reserves the option to redeem Bonds maturing on and after February 15, 2030 in whole or any part, before their respective scheduled maturity dates, on August 15, 2029 or on any date thereafter, such redemption date or dates to be fixed by the Town, at a price equal to the principal amount of the Bonds called for redemption plus accrued interest to the date fixed for redemption.

(b) If less than all of the Bonds are to be redeemed pursuant to an optional redemption, the Town shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity or maturities and in such principal amounts for redemption.

(c) The Town, at least 45 days before the redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds to be redeemed.

Section IV.3. Reserved.

Section IV.4. Partial Redemption.

(a) A portion of a single Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. If such a Bond is to be partially redeemed, the Paying Agent/Registrar shall treat each \$5,000 portion of the Bond as though it were a single Bond for purposes of selection for redemption.

(b) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Ordinance, shall authenticate and deliver an exchange

Bond in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

(c) The Paying Agent/Registrar shall promptly notify the Town in writing of the principal amount to be redeemed of any Bond as to which only a portion thereof is to be redeemed.

Section IV.5. Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register at the close of business on the Business Day next preceding the date of mailing such notice.

(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section IV.6. Payment Upon Redemption.

(a) Before or on each redemption date, the Town shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust such amounts as are received by the Paying Agent/Registrar from the Town and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office of the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Bond to the date of redemption from the money set aside for such purpose.

Section IV.7. Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 4.05 of this Ordinance, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the Town defaults in its obligation to make provision for the payment of the principal thereof, redemption premium, if any, or accrued interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

(b) If the Town shall fail to make provision for payment of all sums due on a redemption date, then any Bond or portion thereof called for redemption shall continue to bear

interest at the rate stated on the Bond until due provision is made for the payment of same by the Town.

Section IV.8. Conditional Notice of Redemption.

The Town reserves the right to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the Town retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the Town delivers a certificate of the Town to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional notice of redemption, the failure of the Town to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

Section IV.9. Lapse of Payment.

Money set aside for the redemption of Bonds and remaining unclaimed by the Owners of such Bonds shall be subject to the provisions of Section 3.03(f) hereof.

ARTICLE V

PAYING AGENT/REGISTRAR

Section V.1. Appointment of Initial Paying Agent/Registrar.

The Bank of New York Mellon Trust Company, National Association, Dallas, Texas, is hereby appointed as the initial Paying Agent/Registrar for the Bonds.

Section V.2. Qualifications.

Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State of Texas, or other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Bonds.

Section V.3. Maintaining Paying Agent/Registrar.

(a) At all times while any of the Bonds are outstanding, the Town will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance. The Mayor is hereby authorized and directed to execute an agreement with the Paying Agent/Registrar specifying the duties and responsibilities of the Town and the Paying Agent/Registrar in

substantially the form presented at this meeting, such form of agreement being hereby approved. The signature of the Mayor shall be attested by the City Secretary of the Town.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the Town will promptly appoint a replacement.

Section V.4. Termination.

The Town, upon not less than sixty (60) days' notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination.

Section V.5. Notice of Change to Owners.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the Town will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address thereof in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section V.6. Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section V.7. Delivery of Records to Successor.

If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE BONDS

Section VI.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Bond of the Paying Agent/Registrar, and the Assignment form to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the Town or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds, if any, shall be typewritten, photocopied, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section VI.2. Form of the Bonds.

The form of the Bonds, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds, shall be substantially as follows:

(a) Form of Bond.

REGISTERED
No. _____

REGISTERED
\$ _____

United States of America
State of Texas
County of Dallas
TOWN OF ADDISON, TEXAS
GENERAL OBLIGATION REFUNDING BOND
TAXABLE SERIES 2020

INTEREST RATE: MATURITY DATE: DELIVERY DATE: CUSIP NUMBER:
_____ % February 15, ____ September 10, 2020 _____

The Town of Addison (the "Town"), in the County of Dallas, State of Texas, for value received, hereby promises to pay to

_____ or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been provided for, and to pay interest on such principal amount from the later of Delivery Date specified above or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve

30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2021.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the designated office in Dallas, Texas, of The Bank of New York Mellon Trust Company, National Association, as Paying Agent/Registrar (the "Designated Payment/Transfer Office"), or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office of such successor Paying Agent/Registrar. Interest on this Bond is payable by check dated as of the interest payment date, and will be mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the registered owner; provided, however, such registered owner shall bear all risk and expenses of such customary banking arrangement. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled payment date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") shall be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which date shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

If the date for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

This Bond is dated August 1, 2020 and is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$_____ (herein referred to as the "Bonds"), issued pursuant to a certain ordinance of the Town (the "Ordinance") for the purpose of refunding a portion of the Town's outstanding debt and to pay the costs and expenses associated with issuing the Bonds.

The Town has reserved the option to redeem the Bonds maturing on or after February 15, 2030, in whole or in part, before their respective scheduled maturity dates, on February 15, 2029, or on any date thereafter, at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest to the date fixed for redemption. If less than all of the Bonds

are to be redeemed, the Town shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot or other customary method that results in a random selection the Bonds, or portions thereof, within such maturity and in such principal amounts, for redemption.

Notice of such redemption or redemptions shall be given by first class mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the registered owner of each of the Bonds to be redeemed in whole or in part. Notice having been so given, the Bonds or portions thereof designated for redemption shall become due and payable on the redemption date specified in such notice; from and after such date, notwithstanding that any of the Bonds or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.

The Town reserves the right to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the Town retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the Town delivers a certificate of the Town to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional notice of redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the Town to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Town for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the Town nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

The Town, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date, or the Special Record Date, as applicable) and for all other purposes,

whether or not this Bond be overdue, and neither the Town nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law, and has been authorized by a vote of the properly qualified electors of the Town; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that ad valorem taxes upon all taxable property in the Town have been levied for and pledged to the payment of the debt service requirements of the Bonds, within the limit prescribed by law; and that the total indebtedness of the Town, including the Bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Town has caused this that the issuance of this Bond and the series of which it is a part is duly authorized by law, and has been authorized by a vote of the properly qualified electors of the Town; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that ad valorem taxes upon all taxable property in the Town have been levied for and pledged to the payment of the debt service requirements of the Bonds, within the limit prescribed by law; and that the total indebtedness of the Town, including the Bonds, does not exceed any constitutional or statutory limitation.

to be executed by the manual or facsimile signature of the Mayor of the Town and countersigned by the manual or facsimile signature of the City Secretary, and the official seal of the Town has been duly impressed or placed in facsimile on this Bond.

Mayor, Town of Addison, Texas

City Secretary,
Town of Addison, Texas

[SEAL]

(b) Form of Comptroller's Registration Certificate. The following Comptroller's Registration Certificate may be deleted from the definitive Bonds if such certificate on the Initial Bond is fully executed.

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS § REGISTER NO. _____
OF THE STATE OF TEXAS §

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the Town of Addison, Texas; and that this Bond has this day been registered by me.

Witness my hand and seal of office at Austin, Texas, _____.

Comptroller of Public Accounts
of the State of Texas

(c) Form of Certificate of Paying Agent/Registrar. The following Certificate of Paying Agent/Registrar may be deleted from each Initial Bond if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Bond of this series of Bonds was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Bonds referred to in the within-mentioned Ordinance.

THE BANK OF NEW YORK MELLON
TRUST COMPANY,
NATIONAL ASSOCIATION,
as Paying Agent/Registrar

Dated: _____

By: _____

Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The Signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(e) The Initial Bond shall be in the form set forth in subsections (a) through (d) of this Section, except for the following alterations:

(i) immediately under the name of the Bond, the headings "INTEREST RATE," and "MATURITY DATE" shall both be completed with the words "As Shown Below" and the words "CUSIP NO." shall be deleted;

(ii) in the first paragraph of the Bond, the words "on the Maturity Date specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on the fifteenth day of February in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Year Principal Amount Interest Rate

(Information to be inserted from Section 3.02(c) hereof).

(iii) the Initial Bond shall be numbered T-1.

Section VI.3. CUSIP Registration.

The Town may secure identification numbers through the CUSIP Service Bureau managed by S & P Global Market Intelligence on behalf of the American Bankers Association, and may authorize the printing of such numbers on the face of the Bonds. It is expressly

provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect in regard to the legality thereof and neither the Town nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section VI.4. Legal Opinion.

The approving legal opinion of Bracewell LLP, Bond Counsel, may be attached to or printed on the reverse side of each Bond over the certification of the City Secretary of the Town, which may be executed in facsimile.

Section VI.5. Statement Insurance.

A statement relating to a municipal bond insurance policy, if any, to be issued for the Bonds, may be printed on each Bond.

ARTICLE VII

SALE AND DELIVERY OF BONDS;
DEPOSIT OF PROCEEDS; FLOW OF FUNDS

Section VII.1. Sale of Bonds; Official Statement.

(a) The Bonds, having been duly advertised and offered for sale at competitive bid, are hereby officially sold and awarded to _____ (the "Purchaser") for a purchase price equal to the principal amount thereof, plus a cash premium in the amount of \$_____, being the bid which produced the lowest true interest cost to the Town. The Initial Bond shall be registered in the name of the Purchaser or its designee.

(b) The form and substance of the Preliminary Official Statement and any addenda, supplement or amendment thereto, are hereby in all respects approved and adopted and is hereby deemed final as of its date within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Mayor and City Secretary are hereby authorized and directed to cause to be prepared a final Official Statement (the "Official Statement") incorporating applicable pricing information pertaining to the Bonds, and to execute the same by manual or facsimile signature and deliver appropriate numbers of executed copies thereof to the Purchaser. The Official Statement as thus approved and delivered, with such appropriate variations as shall be approved by the Mayor and the Purchaser, may be used by the Purchaser in the public offering and sale thereof. The City Secretary is hereby authorized and directed to include and maintain a copy of the Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Official Statement, and the preliminary public offering of the Bonds by the Purchaser, is hereby ratified, approved and confirmed.

(c) All officers of the Town are authorized to execute such documents, certificates and receipts as they may deem appropriate in order to consummate the delivery of the Bonds in accordance with the terms of sale therefor. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for

examination and approval of such Bonds, the appropriate officer of the Town is hereby authorized and directed to issue a check of the Town payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount per series to be the lesser of (i) 1/10th of 1% of the principal amount of such series of the Bonds or (ii) \$9,500.)

(d) The obligation of the Purchaser to accept delivery of the Bonds is subject to the Purchaser being furnished with the final, approving opinion of Bracewell LLP, bond counsel for the Town, which opinion shall be dated and delivered the Closing Date.

Section VII.2. Control and Delivery of Bonds.

(a) The Mayor of the Town is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination, and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Bonds shall be made to the Purchaser or a representative thereof under and subject to the general supervision and direction of the Mayor, against receipt by the Town of all amounts due to the Town under the terms of sale.

(c) In the event the Mayor or City Secretary is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem and the Assistant City Secretary, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro Tem and the Assistant City Secretary shall for the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor and City Secretary, respectively.

ARTICLE VIII

CREATION OF FUNDS AND ACCOUNTS; DEPOSIT OF PROCEEDS; INVESTMENTS

Section VIII.1. Creation of Funds.

(a) The Town hereby establishes the following special funds or accounts:

(i) The Town of Addison, Texas, General Obligation Refunding Bonds, Taxable Series 2020, Interest and Sinking Fund

(b) This fund or account shall be maintained at an official depository of the Town.

Section VIII.2.Interest and Sinking Fund.

(a) The taxes levied under Section 2.01 shall be deposited to the credit of the Interest and Sinking Fund at such times and in such amounts as necessary for the timely payment of the principal of and interest on the Bonds.

(b) If the amount of money in the Interest and Sinking Fund is at least equal to the aggregate principal amount of the outstanding Bonds plus the aggregate amount of interest due and that will become due and payable on such Bonds, no further deposits to that fund need be made.

(c) Money on deposit in the Interest and Sinking Fund shall be used to pay the principal of and interest on the Bonds as such become due and payable.

Section VIII.3.Security of Funds.

All moneys on deposit in the funds referred to in this Ordinance shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

Section VIII.4.Deposit of Proceeds.

(a) Proceeds of the Bonds in the amount of \$ _____, plus lawfully available funds of the Town in the amount of \$ _____, shall be deposited to the Escrow Fund pursuant to the Escrow Agreement to refund the Refunded Bonds, and, to the extent not otherwise provided for, to pay all expenses arising in connection with the refunding of the Refunded Bonds.

(b) Premium generated on the Bonds in the amount of \$176,645.41 shall be deposited to a special fund, such moneys to be dedicated and used for paying the costs of issuance. Any amounts remaining after the payment of the costs of issuance shall be deposited to the Interest and Sinking Fund.

Section VIII.5.Investments.

(a) Money in the Interest and Sinking Fund created by this Ordinance, at the option of the Town, may be invested in such securities or obligations as permitted under applicable law.

(b) Any securities or obligations in which such money is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

Section VIII.6.Investment Income.

(a) Interest and income derived from investment of the Interest and Sinking Fund be credited to such fund.

(b) Interest and income derived from investment of the funds to be deposited pursuant to Section 7.03(b) hereof shall be credited to the account where deposited until the acquisition or construction of said projects is completed and thereafter, to the extent such interest and income are present, such interest and income shall be deposited to the Interest and Sinking Fund.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section IX.1. Payment of the Bonds.

On or before each Interest Payment Date for the Bonds and while any of the Bonds are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such interest on and principal of, redemption premium, if any, and interest on the Bonds as will accrue or mature on the applicable Interest Payment Date, maturity date and, if applicable, on a date of prior redemption.

Section IX.2. Other Representations and Covenants.

(a) The Town will faithfully perform, at all times, any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Bond; the Town will promptly pay or cause to be paid the principal of, redemption premium, if any, and interest on each Bond on the dates and at the places and manner prescribed in such Bond; and the Town will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The Town is duly authorized under the laws of the State of Texas to issue the Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the Town in accordance with their terms.

ARTICLE X

DEFAULT AND REMEDIES

Section X.1. Events of Default.

Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of, redemption premium, if any, or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement, or obligation of the Town, which default materially and adversely affects the rights of the Owners, including but not limited to their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any Owner to the Town.

Section X.2. Remedies for Default.

(a) Upon the happening of any Event of Default, then any Owner or an authorized representative thereof, including but not limited to a trustee or trustees therefor, may proceed against the Town for the purpose of protecting and enforcing the rights of the Owners under this Ordinance by mandamus or other suit, action or special proceeding in equity or at law in any court of competent jurisdiction for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section X.3. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

ARTICLE XI

DISCHARGE

Section XI.1. Discharge.

The Bonds may be defeased, discharged or refunded in any manner permitted by applicable law.

ARTICLE XII

CONTINUING DISCLOSURE UNDERTAKING

Section XII.1. Annual Reports.

(a) The Town shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the Town, financial information and operating data with respect to the Town of the general type included in the final Official Statement, being information described in the Tables numbered 1 through 6 and 8 through 15, including financial statements of the Town if audited financial statements of the Town are then available, and (2) if not provided as part such financial information and operating data, audited financial statements of the Town, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the

accounting principles appended to the Official Statement, or such other accounting principles as the Town may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the Town commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the Town shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

(b) If the Town changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Town otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

Section XII.2. Material Event Notices.

(a) The Town shall notify the MSRB, in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the Town;

(xiii) The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

(xv) incurrence of a financial obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

For these purposes, any event described in the immediately preceding clause (xii) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Town in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets of business of the Town; and the Town intends the words used in the immediately preceding paragraphs (xv) and (xvi) and the definition of financial obligations in those sections to have the same meanings as when they are used in rule and sec release no. 34-83885, dated August 20, 2018.

(b) The Town shall provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, notice of a failure by the Town to provide required annual financial information and notices of material events in accordance with Sections 12.01 and 12.02. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

Section XII.3. Limitations, Disclaimers and Amendments.

(a) The Town shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Town remains an “obligated person” with

respect to the Bonds within the meaning of the Rule, except that the Town in any event will give notice of any redemption calls and any defeasances that cause the Town to be no longer an “obligated person.”

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Town undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Town’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The Town does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE TOWN BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE TOWN, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the Town in observing or performing its obligations under this Article shall constitute a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the Town under federal and state securities laws.

(e) The provisions of this Article may be amended by the Town from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Town, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (B) an entity or individual person that is unaffiliated with the Town (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. If the Town so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 12.01 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in type of financial information or operating data so provide.

ARTICLE XIII

AMENDMENTS

Section XIII.1. Amendments.

This Ordinance shall constitute a contract with the Owners, be binding on the Town, and shall not be amended or repealed by the Town so long as any Bond remains outstanding except as permitted in this Section. The Town may, without consent of or notice to any Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Town may, with the written consent of the Owners of the Bonds holding a majority in aggregate principal amount of the Bonds then outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of outstanding Bonds, no such amendment, addition, or rescission shall extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, give any preference to any Bond over any other Bond, or reduce the aggregate principal amount of Bonds required to be held by Owners for consent to any such amendment, addition, or rescission.

ARTICLE XIV

MISCELLANEOUS

Section XIV.1. Changes to Ordinance.

The Mayor and Director of Finance, in consultation with Bond Counsel, are hereby authorized to make changes to the terms of this Ordinance if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Bonds by the Attorney General of Texas.

Section XIV.2. Partial Invalidity.

If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of the Ordinance.

Section XIV.3. No Personal Liability.

No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Ordinance, against any official or employee of the Town or any person executing any Bonds.

ARTICLE XV

REDEMPTION OF REFUNDED BONDS; ESCROW AGREEMENT;
PURCHASE OF SECURITIES

Section XV.1. Payment of Paying Agent.

Prior to the Closing Date, the Town shall ascertain from the paying agent for the Refunded Bonds the amount of all future fees and expenses for its paying agent services with respect to the Refunded Bonds. Concurrently with the sale and delivery of the Bonds, the Town shall cause an amount sufficient to pay such future fees and expenses to be paid to each such paying agent.

Section XV.2. Subscription for Securities. The Mayor and Director of Finance are authorized to make necessary arrangements for and to execute such documents and agreements in connection with the purchase of the Authorized Securities required by and referenced in the Escrow Agreement, if any, as may be necessary for the Escrow Fund and the application for the acquisition of the Authorized Securities is hereby approved and ratified.

Section XV.3. Escrow Agreement.

The Escrow Agreement, in substantially the form presented at this meeting, and its execution and delivery by the Mayor is hereby authorized and approved. The signature of the Mayor shall be attested by the City Secretary.

Section XV.4. Payment of Refunded Bonds; Redemption of Refunded Bonds. Following the deposit to the Escrow Fund as herein specified, the Refunded Bonds shall be payable solely from and secured by the cash and securities on deposit in the Escrow Fund for the purpose of refunding the Refunded Bonds and shall cease to be payable from ad valorem taxes, and firm banking and financial arrangements shall have been made for the discharge and final payment or redemption of the Refunded Bonds pursuant to Chapter 1207. The Refunded Bonds are hereby called for redemption prior to maturity on the dates and at the redemption prices set forth in the Schedule I attached hereto. The City Secretary hereby authorized and directed to cause to be delivered to the paying agent/registrar for the Refunded Bonds a certified copy of this Ordinance calling the Refunded Bonds for redemption. The delivery of this Ordinance to the paying agent for the Refunded Bonds shall constitute the giving of notice of redemption to the paying agent for the Refunded Bonds and such paying agent is hereby authorized and directed to give notice of redemption to the owners of the Refunded Bonds in accordance with the requirements of the ordinance authorizing the issuance thereof.

ARTICLE XVI

EFFECTIVENESS

Section XVI.1. Effectiveness.

This Ordinance shall take effect immediately from and after its passage.

APPROVED AND ADOPTED this August 11, 2020.

Mayor, Town of Addison, Texas

ATTEST:

City Secretary, Town of Addison, Texas

APPROVED AS TO FORM:

By: _____
Town Attorney, Town of Addison, Texas

SCHEDULE I

SCHEDULE OF REFUNDED BONDS
General Obligation Refunding & Improvement Bonds, Series 2012

Original Dated Date: 8/15/2012

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Refunded</u>
2/15/2023	5.000%	\$ 910,000	\$ 910,000
2/15/2024	5.000	955,000	955,000
2/15/2025	5.000	1,010,000	1,010,000
2/15/2026	5.000	1,060,000	1,060,000
2/15/2027	5.000	1,115,000	1,115,000
2/15/2028	5.000	1,170,000	1,170,000
2/15/2029	5.000	1,230,000	1,230,000
2/15/2030	5.000	1,295,000	1,295,000
2/15/2031	5.000	1,350,000	1,350,000
2/15/2032	3.125	<u>1,385,000</u>	<u>1,385,000</u>
		\$ 11,480,000	\$ 11,480,000

The 2023 – 2032 maturities will be redeemed prior to original maturity on February 15, 2022 at par.

General Obligation Bonds, Taxable Series 2013B

Original Dated Date: 7/15/2013

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Refunded</u>
2/15/2024 ⁽¹⁾	5.000%	\$ 60,000	\$ 60,000
2/15/2025 ⁽¹⁾	5.000	65,000	65,000
2/15/2026 ⁽¹⁾	5.000	65,000	65,000
2/15/2027 ⁽¹⁾	5.000	70,000	70,000
2/15/2028 ⁽¹⁾	5.000	75,000	75,000
2/15/2029 ⁽¹⁾	5.000	75,000	75,000
2/15/2030 ⁽¹⁾	5.000	80,000	80,000
2/15/2031 ⁽¹⁾	5.000	85,000	85,000
2/15/2032 ⁽¹⁾	5.000	90,000	90,000
2/15/2033 ⁽¹⁾	5.000	<u>95,000</u>	<u>95,000</u>
		\$ 760,000	\$ 760,000

The 2033 maturity will be redeemed prior to original maturity on February 15, 2023 at par.

⁽¹⁾ Represents a Term Bond with a final maturity of February 15, 2033.

Council Meeting

9.

Meeting Date: 08/11/2020

Department: City Manager

AGENDA CAPTION:

Present, Discuss and Consider Action on **Change Order #2 to the Contract with JC Commercial, Inc. for Costs Related to Unforeseen Site Conditions for the United States Customs and Border Protection Facility at Addison Airport and Authorize the City Manager to Execute the Change Order** in an Amount Not to Exceed \$141,881.10.

BACKGROUND:

On August 27, 2019, the Addison City Council approved a contract with JC Commercial, Inc. for the construction of the U.S Customs and Border Protection and Airport Administration facility at Addison Airport in the amount of \$6,223,949.

Change Order #1, dated February 28, 2019 approved a cost increase of \$22,215.16, thereby increasing the contract amount to \$6,246,209.16. Change order #1 included North Texas Tollway Authority irrigation modifications, an Oncor utility relocation, the installation of bollards around the Customs and Border Protection generators, and the removal of an abandoned water line. Change order #1 was not taken to Council because the amount was less than \$50,000 and less than 25% of the contract price. Change order #1 did not add additional days to the contract.

Change Order #2 includes the following additional items that were not anticipated or known at the time of the original contract. Staff determined that it was prudent, efficient and effective to address the following issues as part of the on-going work:

- Additional concrete pier depths for the building foundation due to a variable depth rock layer that was deeper than anticipated. Additional pier depths ranged from 1.5 to 3.5 feet in depth and occurred outside the known rock layer depth provided in the geotechnical report. The pricing provided by JC Commercial Inc. is consistent with industry standards for costs per linear foot of pier depth for the additional labor and materials.
- Changes in the erection of steel for the elevator. Page, the project architect, and AG&E, the structural engineer, have both reviewed the proposal submitted by JC Commercial, Inc. and agree the additional steel and erection costs is justified and necessary. The steel modification required a high degree of detail and precision and the contractor is required to complete the modifications associated with the elevator installation.
- The site design earthwork quantity in the bid documents was calculated before the site demolition of the old hangar and removal of old pavements. JC Commercial

performed a topographic survey of the site to verify existing conditions before construction began and notified the project team that elevations for the site were lower than the existing survey provided in the design documents.

- As requested by U.S Customs and Border Protection, hold room toilets and lavatory were revised from separate toilets and lavatory to combination toilet/lavatory fixtures in order to comply with U.S. Customs and Border Protection requirements.

The following table summarizes the effect of change order #2 on the contract price:

Description	Original Price	Amount
Additional Foundation Pier Depths		\$11,466.65
Change to Elevator Steel Structure		\$20,067.30
Additional Fill		\$107,056.95
CBP Hold Room Combination Toilet/Lavatory Revision		\$3,290.20
Subtotal		\$141,881.10
Amount of this Change Order		\$141,881.10
Original Contract Amount		\$6,223,949.00
Overall Contract (Including Previous Change Order)		\$6,246,209.16
Revised Contract Amount		\$6,388,090.26
Total % Increase (including change orders #1 and #2)		2.57%

This change order requires council approval because the total amount is greater than \$50,000.

The following table summarizes the effect of change order #2 on the contract time:

Description	Calendar Days
Additional Foundation Pier Depths	5
Change to Elevator Steel Structure	10
Additional Fill	10
Subtotal	25
Original Contract Start Date	September 30, 2019
Original Contract Time	450
Previously Approved Contract Time Extension	0
Approved Contract Time Extensions this Change Order	25
New Contract Time	475

New Contract Completion Date	January 17, 2021
------------------------------	------------------

Funding for these improvements is from the 7.3% contingency allowance included in the original contract with JC Commercial, Inc. The total contingency allowance for the project is \$559,978.

RECOMMENDATION:

Administration recommends approval.

Attachments

U.S Customs and Border Protection Facility - Change Order #2

U.S Customs and Border Protection Facility - Change Order #1



TOWN OF ADDISON CHANGE ORDER FORM

Change Order Number: 2

Project Name: Addison Airport US Customs and Border Protection Facility

Project Number(s): 19-97

Contractor Name: JC Commercial, Inc.

Date: 05/20/2020

A. INTENT OF CHANGE ORDER

The purpose of this change order is to provide an amendment to the construction contract for JC Commercial to include the items mentioned below.

B. DESCRIPTION OF CHANGE

Items listed in section C will increase the contract amount to include unforeseen site conditions and requests from the US Customs and Border Protection Agency.

C. REASON FOR CHANGE

The following items will be included in the construction contract:

- Additional concrete pier depths were needed for the building foundation due to a variable depth rock layer that was deeper than anticipated. Additional pier depths ranged from 1.5 to 3.5 feet in depth and occurred outside the known rock layer depth provided in the geotechnical report. The pricing provided by JC Commercial is consistent with industry standards for cost per linear foot of pier depth for the additional work and material materials.
- Page (Architect) and AG&E (Structural Engineer) have both reviewed the proposal submittal by JC Commercial and agree the additional steel and erection cost associated with design revisions for building modifications is justified given this steel and detailing was added to the documents to accommodate layout revisions. Based on experience from the structural engineer, the cost submitted by JC Commercial appears to be approximately double what would be expected based on the erected steel tonnage involved in the change, but since the steel was already fabricated and on-site (which incurred trip charges and refabricating costs), the cost is reasonable. The steel modification required a high degree of detail and precision considering the modification was for the elevator enclosure and the contractor is required to complete the modifications based on the tight tolerances associated with the elevator installation.
- Accepted for additional site fill, excluding the building foundation footprint, due to the demolition operations performed under a separate contract removed existing soil and material that was not replaced back to the original survey grade. The site design earthwork quantity in the bid documents was calculated utilizing the average end area method based on the existing site survey before site demolition. JC Commercial performed a topographic survey of the site to verify the existing conditions before construction began and notified the project team the elevations of the site were lower

than the existing survey provided in the design documents. Also, additional fill was approved got placement along the western edge of the building foundation to protect the foundation edge until the airside improvements can be made under a separate construction contract executed by TxDOT Aviation.

- As requested by Customs and Border Protection, hold room toilets and lavatory were revised from separate toilets and lavatory to combination toilet/lavatory fixtures.

D. EFFECT OF CHANGE ON CONTRACT PRICE

This change order will have the following effect on the cost of this project:

Item Number/Description	Amount
Additional Foundation Pier Depths	\$11,466.65
Changes to Elevator Steel Structure	\$20,067.30
Additional Fill (Civil)	\$107,056.95
CBP Hold Room Combination Toilet/Lavatory Revision	\$3,290.20
Subtotal	\$141,881.10
Amount of this Change Order	\$141,881.10
Original Contract Amount	\$6,223,949.00
Overall Contract Amount (Including Previous Change Orders)	\$6,246,209.16
Revised Contract Amount	\$6,388,090.26
Total % Increase/Decrease (Including Previous Change Orders)	2.57%

E. EFFECT OF CHANGE ON CONTRACT TIME

The work required under this change will affect 25 days of the contract time.

Item Number/Description	Calendar Days
Additional Foundation Pier Depths	5
Changes to Elevator Steel Structure	10
Additional Fill (Civil)	10
Subtotal	25
Original Contract Start Date	September 30, 2019
Original Contract Time	450
Previously Approved Contract Time Extensions	0
Approved Contract Time Extensions this Change Order	25
New Contract Time	475
New Contract Completion Date	January 17, 2021

F. AGREEMENT

By the signatures below, duly authorized agent of the Town of Addison, and JC Commercial, Inc, do hereby agree to append this Change Order Number 2 to the original contract between themselves, dated September 18, 2019.

Lewisville TX 75057
City State Zip

Phone: 972-436-4622

 5/27/20
Contractor's Signature


Engineer's Signature
Digitally Signed 05/29/2020

Project Manager

Department Director

Fin. & Strat. Services Representative

City Manager

Copies: Contractor (2)
Department
City Secretary

Council Agenda: Agenda Date _____
(if applicable) Item Number _____
Approved _____

RFI Response

RFI ID	082		
To	Trevor Fitzgerald JC Commercial, Inc. 1801 Lakepointe Drive Suite 129 Lewisville TX 75057 United States (972) 436-4622	From	Will Butler Page Southerland Page, Inc. 1800 Main Street Suite 123 Dallas TX 75201 United States (469) 621 4837
Project	417151 - City of Addison Airport	Project No.	417151
Date	4/8/2020	Transmittal ID	00645
Subject	Proposal #11 - Additional Pier Depths		
We are sending	<input type="checkbox"/> Attached <input type="checkbox"/> Under Separate Cover	Via	Info Exchange

Question: Please see the attached proposal. I apologize that these proposals are out of order. The previous project engineer skipped over #11. Going forward this will not be an issue.

Suggestion:

Answer: **Response (Answered) from: Will Butler (Page Southerland Page, Inc.)**
Remarks:

The proposal as submitted is reasonable and acceptable. We will work to include the proposal value indicated here in the next change order.

Contents

Copies	Date	Number	Description
1	3/3/2020		RFI 82 - Proposal #11 - Additional Pier Depths (combined).pdf

These are transmitted For review and comment For your use As requested

Please let me know if you need any additional information or clarification. Thank you.

CC: Darci Neuzil
Jeff Mechlem
Joe McAnally
Joel Jenkinson
Lisa Pyles
Margarita de Monterrosa
Michael Haskins
Michelle LeBlanc
Scott Arthur
Will Butler



Request for Information 082

Project Title: Addison Airport Customs and Border Protection Facility
Submitted by Subcontractor: JC Commercial

Date Created: 3/3/2020

Answer Company	Author Company	Authored By
Page Southerland Page, Inc. 1100 Louisiana, Suite One Houston, Texas 77002	JC Commercial 1801 Lakepointe Dr. Suite 129 Lewisville, TX 75057	Trevor Fitzgerald

Subject: Proposal #11 - Additional Pier Depths
Category: Concrete

Question: **Date Required:** 3/10/2020

Please review the attached proposal for changes to the contract based on additional certified pier depths from the Fugro testing company.

Answer: **Date Answered:**

Pier Depths

Piers	G-2	F-7	E-7	A-7	A.5-7.2	A-6	A.5-6.2
Pier Size	36	36	36	24	24	24	24
Estimated Depth	14	14	14	11	11	11	11
Over Drilled Depth from Driller	0.9	0.3	0	0.5	0.5	0.7	1
Ground Surface Elevation	99.5	99.5	99.5	99.5	99.5	99.5	99.5
Top Of Shaft Elevation	97	97	97	97	97	97	97
Total Drilled Shaft Depth	14.6	14.4	13.1	14	13.6	14.3	14
Additional Depth of Pier	0.2	0.6	-0.4	3	2.6	3.1	2.5

Piers	H-7	H-6	F.8-6	F-6	E.7-5.1	D-5.2	C-5.2
Pier Size	24	24	24	24	24	24	24
Estimated Depth	11	11	11	11	11	11	11
Over Drilled Depth from Driller	0.8	0.6	2.7	2.7	0.6	0.7	0.6
Ground Surface Elevation	99.5	99.5	99.5	99.5	99.5	99.5	99.5
Top Of Shaft Elevation	97	97	97	97	97	97	97
Total Drilled Shaft Depth	15.6	15	13.7	13.8	11.6	14.6	14.1
Additional Depth of Pier	4.3	3.9	0.5	0.6	0.5	3.4	3

Piers	D-3	E-5	E.7-5.7	D.4-5.4	D-2	E.7-2	E-3
Pier Size	24	24	24	24	24	24	24
Estimated Depth	11	11	11	11	11	11	11
Over Drilled Depth from Driller	0.9	0.4	0.3	0.4	0.4	0.5	0.6
Ground Surface Elevation	99.5	99.5	99.5	99.5	99.5	99.5	99.5
Top Of Shaft Elevation	97	97	97	97	97	97	97
Total Drilled Shaft Depth	15.1	15	11.3	14.5	14.3	14.2	14.8
Additional Depth of Pier	3.7	4.1	0.5	3.6	3.4	3.2	3.7

Piers	C-4	E.6-6	F.8-6.5	F-6.5	D-6	D-7	G.5-D.5
Pier Size	24	24	24	24	24	36	18
Estimated Depth	11	11	11	11	11	14	11
Over Drilled Depth from Driller	2.4	0.5	0.9	0.7	0	0	0.2
Ground Surface Elevation	99.5	99.5	99.5	99.5	99.5	99.5	99.5
Top Of Shaft Elevation	97	97	97	97	97	97	97
Total Drilled Shaft Depth	13.5	14.3	16.2	14.2	14	15.2	11.5
Additional Depth of Pier	0.6	3.3	4.8	3	3.5	1.7	0.8

Piers	D.8-0.5	C.8-D.5	H-1	G.5-0.5	G-0.8	G.2-2.5	A-5
Pier Size	18	18	24	24	24	24	24
Estimated Depth	11	11	11	11	11	11	11
Over Drilled Depth from Driller	0	0.1	0.1	0	0	0	0.1
Ground Surface Elevation	99.5	99.5	99.5	99.5	99.5	99.5	99.5
Top Of Shaft Elevation	97	97	97	97	97	97	97
Total Drilled Shaft Depth	12.6	14.1	11.6	11.6	11.6	11.5	14
Additional Depth of Pier	2.1	3.5	1	1.1	1.1	1	3.4

Piers	B-2.3	A.9-4.4	A-1	C-1	C-2	E-1	B-3
Pier Size	24	24	36	36	36	36	36
Estimated Depth	11	11	14	14	14	14	14
Over Drilled Depth from Driller	0.1	0.1	0	0	0.1	0.3	0.1
Ground Surface Elevation	99.5	99.5	99.5	99.5	99.5	99.5	99.5
Top Of Shaft Elevation	97	97	97	97	97	97	97
Total Drilled Shaft Depth	13.6	13.5	16.8	16	16.1	14.9	15.1
Additional Depth of Pier	3	2.9	3.3	2.5	2.5	1.1	1.5

Piers	B-4	B-5.2	F-1	G-3	G-5	G-2	F-7
Pier Size	36	36	36	36	36	36	36
Estimated Depth	14	14	14	14	14	14	14
Over Drilled Depth from Driller	0	0	0.2	0	0.3	0.9	0.3
Ground Surface Elevation	99.5	99.5	99.5	99.5	99.5	99.5	99.5
Top Of Shaft Elevation	97	97	97	97	97	97	97
Total Drilled Shaft Depth	15	15	14.2	13.7	13.8	14.6	14.1
Additional Depth of Pier	1.5	1.5	0.5	0.2	0	0.2	0.3

Piers	E-7	A-7	A.5-7.2	A-6	A.5-6.2		
Pier Size	36	24	24	24	24		
Estimated Depth	14	11	11	11	11		
Over Drilled Depth from Driller	0	0.5	0.5	0.7	1		
Ground Surface Elevation	99.5	99.5	99.5	99.5	99.5		
Top Of Shaft Elevation	97	97	97	97	97		
Total Drilled Shaft Depth	13.1	14	13.6	14.3	14		
Additional Depth of Pier	-0.4	3	2.6	3.1	2.5		

Total Additional LF	
112.70'	\$ 81.02

Grand Total: \$9130.95



Fugro USA Land, Inc.
2880 Virgo Lane
Dallas, Texas 75229
Phone (972) 484-8301, Fax (972) 620-7328

DAILY FIELD SUMMARY REPORT

Project: Addison Airport CBPF
Client: Town of Addison
16801 Westgrove Dr.
Addison, TX 75001

Service Date: 11/13/2019
Report Date: 11/14/2019
Project No.: 04.40192101
Lab / Report No.: 21141-1 / 0023

Page 1 of 4

Summary of Field Activities and Observations

On this date the representative of Fugro USA Land, Inc. noted below was present at the project site to perform services as scheduled.

Pier foundation installation observation services were performed. A total of 18 piers were installed. See the attached "Drilled Pier Observation Report" for additional details.

Fugro Representative: James Pacheco: Left for Job: 6:30 am : Arrive: 7:00 am Depart:
5:00 pm
Travel: 1.0 Total Billable Hours: R/T: 11.0

Fugro USA Land, Inc.
TBPE Firm Registration No. F-299



Muhammad Khan
Project Manager

THE ABOVE TEST RESULTS APPLY ONLY TO THE ITEMS TESTED.
THIS REPORT SHALL NOT BE REPRODUCED EXCEPT IN FULL WITHOUT THE APPROVAL OF FUGRO USA LAND, INC.



Fugro Dallas
 2880 Virgo Lane
 Dallas, TX 75229
 Phone: (972) 484-8301
 Work Order#21141 Rpt#0023

DRILLED PIER OBSERVATION REPORT

Client: Town of Addison
 Project: Addison Airport
 Date: 11/13/19

Project No: 04.40192101
 Drilling Firm: Maxon Drilling
 Page 1 of 3

Pier Identification: Building Pad		G-2	F-7	E-7	A-7	A.5-7.2	A-6	A.5-6.2
Pier Diameter, in.	Required	36	36	36	24	24	24	24
	Actual	36	36	36	24	24	24	24
Time Drilling Started		8:00	8:25	8:58	9:20	9:37	9:49	10:03
Top of Ground Elevation, ft. ⁽¹⁾		99.8	99.8	99.8	99.8	99.8	99.8	99.8
Top of Pier Elevation, ft		97.0	97.0	97.0	97.0	97.0	97.0	97.0
Required Depth, ft.		8.70	8.80	8.10	10.50	10.10	10.60	10.00
Total Depth, ft.		14.60	14.10	13.10	14.00	13.60	14.30	14.00
Peneration ft.	Required	5.00	5.00	5.00	5.00	5.00	5.00	5.00
	Actual	5.90	5.30	5.00	3.50	3.50	3.70	4.00
Casing	Dia., in.	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Length, ft	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plumb within Tolerance (Yes/No):		YES	YES	YES	YES	YES	YES	YES
Vertical Reinforcing	Bar Size	#8	#8	#8	#6	#6	#6	#6
	Quantity	12	12	12	6	6	6	6
	Length, ft	11.70	11.20	10.20	11.10	10.70	11.40	11.10
Horizontal Reinforcing	Bar Size	#3	#3	#3	#3	#3	#3	#3
	Spacing, in	12	12	12	12	12	12	12
Time Concrete Placed		11:40	11:40	11:42	11:43	11:46	11:48	13:20
Condition of Bottom before Concrete Placement (Wet / Dry)		DRY	DRY	DRY	DRY	DRY	DRY	DRY
Time Drilling Completed		8:24	8:57	9:19	9:36	9:48	10:02	10:17

Remarks:

Tech: James Pacheco

FUGRO USA Land, INC.
 TBPE Firm Registration No. F-299

Muhammad Khan, P.E.
 Project Manager

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Fugro Dallas
 2880 Virgo Lane
 Dallas, TX 75229
 Phone: (972) 484-8301

Work Order#21141 Rpt#0023

DRILLED PIER OBSERVATION REPORT

Client: Town of Addison
 Project: Addison Airport
 Date: 11/13/19

Project No: 04.40192101
 Drilling Firm: Maxon Drilling
 Page 2 of 3

Pier Identification: Building Pad		H-7	H-6	** F.8-6	** F-6	E.7-5.1	D-5.2	C-5.2
Pier Diameter, in.	Required	24	24	24	24	24	24	24
	Actual	24	24	24	24	24	24	24
Time Drilling Started		10:18	10:38	10:53	11:05	11:22	11:37	11:50
Top of Ground Elevation, ft. ⁽¹⁾		99.8	99.8	99.8	99.8	99.8	99.8	99.8
Top of Pier Elevation, ft		97.0	97.0	93.6	93.6	97.0	97.0	97.0
Required Depth, ft.		11.80	11.40	8.00	8.10	8.00	10.90	10.50
Total Depth, ft.		15.60	15.00	13.70	13.80	11.60	14.60	14.10
Penetration ft.	Required	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	Actual	3.80	3.60	5.70	5.70	3.60	3.70	3.60
Casing	Dia., in.	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Length, ft	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plumb within Tolerance (Yes/No):		YES	YES	YES	YES	YES	YES	YES
Vertical Reinforcing	Bar Size	#6	#6	#6	#6	#6	#6	#6
	Quantity	6	6	6	6	6	6	6
	Length, ft	12.70	12.10	7.40	7.50	8.70	11.70	11.20
Horizontal Reinforcing	Bar Size	#3	#3	#3	#3	#3	#3	#3
	Spacing, in	12	12	12	12	12	12	12
Time Concrete Placed		13:30	13:35	13:38	13:43	13:50	15:10	15:05
Condition of Bottom before Concrete Placement (Wet / Dry)		DRY	DRY	DRY	DRY	DRY	DRY	DRY
Time Drilling Completed		10:37	10:52	11:04	11:21	11:36	11:49	12:03

Remarks: Piers F.8-6 & F-6 are for Elevator Shaft. Due to elevation of top of pier , had to drill deeper to achieve min per length.

Tech: James Pacheco

FUGRO USA Land, INC.
 TBPE Firm Registration No. F-299

Muhammad Khan, P.E.
 Project Manager

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Fugro Dallas

2880 Virgo Lane

Dallas, TX 75229

Phone: (972) 484-8301

Work Order#21141 Rpt#0023

DRILLED PIER OBSERVATION REPORT

Client: Town of Addison
Project: Addison Airport
Date: 11/13/19

Project No: 04.40192101
Drilling Firm: Maxon Drilling
Page 3 of 3

Pier Identification: Building Pad		D-3	E-5	E 7-5.7	D.4-5.4			
Pier Diameter, in.	Required	24	24	18	18			
	Actual	24	24	18	18			
Time Drilling Started		12:45	13:00	13:10	13:50			
Top of Ground Elevation, ft. ⁽¹⁾		99.8	99.8	99.8	99.8			
Top of Pier Elevation, ft		97.0	97.0	97.0	97.0			
Required Depth, ft.		11.20	11.60	8.00	11.10			
Total Depth, ft.		15.10	15.00	11.30	14.50			
Peneration ft.	Required	3.00	3.00	3.00	3.00			
	Actual	3.90	3.40	3.30	3.40			
Casing	Dia., in.	N/A	N/A	N/A	N/A			
	Length, ft	N/A	N/A	N/A	N/A			
Plumb within Tolerance (Yes/No):		YES	YES	YES	YES			
Vertical Reinforcing	Bar Size	#6	#6	#6	#6			
	Quantity	12	12	12	12			
	Length, ft	12.20	12.10	8.40	11.60			
Horizontal Reinforcing	Bar Size	#3	#3	#3	#3			
	Spacing, in	12	12	12	12			
Time Concrete Placed		12:59	13:05	13:22	14:05			
Condition of Bottom before Concrete Placement (Wet / Dry)		DRY	DRY	DRY	DRY			
Time Drilling Completed		15:15	15:25	15:30	15:40			

Remarks:

Tech: James Pacheco

FUGRO USA Land, INC.
TBPE Firm Registration No. F-299

Muhammad Khan, P.E.
Project Manager

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Fugro USA Land, Inc.
2880 Virgo Lane
Dallas, Texas 75229
Phone (972) 484-8301, Fax (972) 620-7328

DAILY FIELD SUMMARY REPORT

Project: Addison Airport CBPF
Client: Town of Addison
16801 Westgrove Dr.
Addison, TX 75001

Service Date: 11/14/2019
Report Date: 11/25/2019
Project No.: 04.40192101
Lab / Report No.: 21142-1 / 0027

Page 1 of 3

Summary of Field Activities and Observations

On this date the representative of Fugro USA Land, Inc. noted below was present at the project site to perform services as scheduled.

Pier foundation installation observation services were performed. A total of 9 piers were installed. See the attached "Drilled Pier Observation Report" for additional details.

Fugro Representative: James Pacheco: Left for Job: 6:30 am : Arrive: 7:00 am Depart:
4:00 pm
Travel: 1.0 Total Billable Hours: R/T: 10.0

Fugro USA Land, Inc.
TBPE Firm Registration No. F-299

Muhammad Khan
Project Manager

THE ABOVE TEST RESULTS APPLY ONLY TO THE ITEMS TESTED.
THIS REPORT SHALL NOT BE REPRODUCED EXCEPT IN FULL WITHOUT THE APPROVAL OF FUGRO USA LAND, INC.



Fugro Dallas
2880 Virgo Lane
Dallas, TX 75229
Phone: (972) 484-8301

Work Order#21142 Rpt#0027

DRILLED PIER OBSERVATION REPORT

Client: Town of Addison
Project: Addison Airport
Date: 11/14/19

Project No: 04.40192101
Drilling Firm: Maxon Drilling
Page 1 of 2

Pier Identification: Building Pad	D-2	E.7-2	E-3	C-4	E.6-6	*F.8-6.5	*F-6.5
Pier Diameter, in.	Required	24	24	24	24	24	24
	Actual	24	24	24	24	24	24
Time Drilling Started	8:00	8:26	8:43	9:10	9:27	9:49	10:19
Top of Ground Elevation, ft. ⁽¹⁾	99.8	99.8	99.8	99.8	99.8	99.8	99.80
Top of Pier Elevation, ft	97.0	97.0	97.0	97.0	97.0	91.6	93.60
Required Depth, ft.	10.90	10.70	11.20	10.00	8.20	8.40	8.40
Total Depth, ft.	14.30	14.20	14.80	13.50	14.30	16.20	14.20
Penetration ft.	Required	3.00	3.00	3.00	3.00	3.00	3.00
	Actual	3.40	3.50	3.60	3.50	6.10	7.80
Casing	Dia., in.	N/A	N/A	N/A	N/A	N/A	N/A
	Length, ft	N/A	N/A	N/A	N/A	N/A	N/A
Plumb within Tolerance (Yes/No):	YES	YES	YES	YES	YES	YES	YES
Vertical Reinforcing	Bar Size	#6	#6	#6	#6	#6	#6
	Quantity	6	6	6	6	6	6
	Length, ft	11.40	11.30	11.90	10.60	11.40	7.90
Horizontal Reinforcing	Bar Size	#3	#3	#3	#3	#3	#3
	Spacing, in	12	12	12	12	12	12
Time Concrete Placed	8:25	8:42	9:09	9:26	9:48	10:18	10:37
Condition of Bottom before Concrete Placement (Wet / Dry)	DRY	DRY	DRY	DRY	DRY	DRY	DRY
Time Drilling Completed	15:10	15:15	15:22	15:31	13:41	13:32	13:28

Remarks: *Piers F.8-6.5 & F-6.5, Due to top of pier elevation, we had to drill deeper to achieve min pier length.

Tech: James Pacheco

FUGRO USA Land, INC.
TBPE Firm Registration No. F-299

Muhammad Khan, P.E.
Project Manager

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Fugro Dallas
 2880 Virgo Lane
 Dallas, TX 75229
 Phone: (972) 484-8301
 Work Order#21142 Rpt#0027

DRILLED PIER OBSERVATION REPORT

Client: Town of Addison
 Project: Addison Airport
 Date: 11/14/19

Project No: 04.40192101
 Drilling Firm: Maxon Drilling
 Page 2 of 2

Pier Identification: Building Pad		D-6	D-7				
Pier Diameter, in.	Required	24	24				
	Actual	24	24				
Time Drilling Started		10:30	10:55				
Top of Ground Elevation, ft. ⁽¹⁾		99.8	99.8				
Top of Pier Elevation, ft		97.0	97.0				
Required Depth, ft.		11.00	10.20				
Total Depth, ft.		14.00	15.20				
Peneration ft.	Required	3.00	5.00				
	Actual	3.00	5.00				
Casing	Dia., in.	N/A	N/A				
	Length, ft	N/A	N/A				
Plumb within Tolerance (Yes/No):		YES	YES				
Vertical Reinforcing	Bar Size	#6	#8				
	Quantity	6	12				
	Length, ft	11.10	12.30				
Horizontal Reinforcing	Bar Size	#3	#3				
	Spacing, in	12	12				
Time Concrete Placed		10:50	11:15				
Condition of Bottom before Concrete Placement (Wet / Dry)		DRY	DRY				
Time Drilling Completed		13:20	13:15				

Remarks:

Tech: James Pacheco

FUGRO USA Land, INC.
 TBPE Firm Registration No. F-299

Muhammad Khan, P.E.
 Project Manager

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Fugro USA Land, Inc.

2880 Virgo Lane

Dallas, Texas 75229

Phone (972) 484-8301, Fax (972) 620-7328

DAILY FIELD SUMMARY REPORT

Project: Addison Airport CBPF
Client: Town of Addison
16801 Westgrove Dr.
Addison, TX 75001

Service Date: 11/06/2019
Report Date: 11/13/2019
Project No.: 04.40192101
Lab / Report No.: 21055-1 / 0020

Page 1 of 4

Summary of Field Activities and Observations

On this date the representative of Fugro USA Land, Inc. noted below was present at the project site to perform services as scheduled.

Pier foundation installation observation services were performed. A total of 20 piers were installed. See the attached "Drilled Pier Observation Report" for additional details.

Fugro Representative: James Pacheco: Left for Job: 6:30 am : Arrive: 7:00 am Depart:
5:00 pm
Travel: 1.0 Total Billable Hours: R/T: 11.0

Fugro USA Land, Inc.
TBPE Firm Registration No. F-299

Muhammad Khan
Project Manager

THE ABOVE TEST RESULTS APPLY ONLY TO THE ITEMS TESTED
THIS REPORT SHALL NOT BE REPRODUCED EXCEPT IN FULL WITHOUT THE APPROVAL OF FUGRO USA LAND, INC.



Fugro Dallas
 2880 Virgo Lane
 Dallas, TX 75229
 Phone: (972) 484-8301

Work Order#21055 Rpt#0020

DRILLED PIER OBSERVATION REPORT

Client: Town of Addison
 Project: Addison Airport
 Date: 11/06/19

Project No: 04.40192101
 Drilling Firm: Maxon Drilling
 Page 1 of 3

Pier Identification: Building Pad		G.5-D.5	D.8-O.5	C.8-D.5	H-1	G.5-O.5	G-O.8	G.2-2.5
Pier Diameter, in.	Required	18	18	18	24	24	24	24
	Actual	18	18	18	30	30	24	24
Time Drilling Started		8:00	8:30	8:51	9:08	9:23	9:37	9:56
Top of Ground Elevation, ft. ⁽¹⁾		99.8	99.8	99.8	99.8	99.8	99.8	99.8
Top of Pier Elevation, ft		97.0	97.0	97.0	97.0	97.0	97.0	97.0
Required Depth, ft.		8.30	9.60	11.00	8.50	8.60	8.60	8.50
Total Depth, ft.		11.50	12.60	14.10	11.60	11.60	11.60	11.50
Peneration ft.	Required	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	Actual	3.20	3.00	3.10	3.10	3.00	3.00	3.00
Casing	Dia., in.	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Length, ft	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plumb within Tolerance (Yes/No):		YES	YES	YES	YES	YES	YES	YES
Vertical Reinforcing	Bar Size	#6	#6	#6	#6	#6	#6	#6
	Quantity	5	5	5	6	6	6	6
	Length, ft	8.60	9.70	11.20	8.70	8.70	8.70	8.60
Horizontal Reinforcing	Bar Size	#3	#3	#3	#3	#3	#3	#3
	Spacing, in	12	12	12	12	12	12	12
Time Drilling Completed		8:29	8:50	9:07	9:22	9:36	9:55	10:13
Condition of Bottom before Concrete Placement (Wet / Dry)		DRY	DRY	DRY	DRY	DRY	DRY	DRY
Time Concrete Placed		12:30	12:34	12:45	12:56	13:01	13:08	13:15

Remarks:

Tech: James Pacheco

FUGRO USA Land, INC.
 TBPE Firm Registration No. F-299

Muhammad Khan, P.E.
 Project Manager

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Fugro Dallas
 2880 Virgo Lane
 Dallas, TX 75229
 Phone: (972) 484-8301

Work Order#21055 Rpt#0020

DRILLED PIER OBSERVATION REPORT

Client: Town of Addison
 Project: Addison Airport
 Date: 11/06/19

Project No: 04.40192101
 Drilling Firm: Maxon Drilling
 Page 2 of 3

Pier Identification: Building Pad		A-2	B-2.3	A.9-4.4	A-1	C-1	C-2	E-1
Pier Diameter, in.	Required	24	24	24	36	36	36	36
	Actual	24	24	24	36	36	36	36
Time Drilling Started		10:14	10:30	10:50	11:09	11:34	12:03	12:39
Top of Ground Elevation, ft. ⁽¹⁾		99.8	99.8	99.8	99.8	99.8	99.8	99.8
Top of Pier Elevation, ft		97.0	97.0	97.0	97.0	97.0	97.0	97.0
Required Depth, ft.		11.00	10.50	10.40	11.80	11.00	11.00	9.60
Total Depth, ft.		14.00	13.60	13.50	16.80	16.00	16.10	14.90
Peneration ft.	Required	3.00	3.00	3.00	5.00	5.00	5.00	5.00
	Actual	3.00	3.10	3.10	5.00	5.00	5.10	5.30
Casing	Dia., in.	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Length, ft	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plumb within Tolerance (Yes/No):		YES	YES	YES	YES	YES	YES	YES
Vertical Reinforcing	Bar Size	#6	#6	#6	#8	#8	#8	#8
	Quantity	6	6	6	12	12	12	12
	Length, ft	11.10	10.70	10.60	13.90	13.10	13.20	12.00
Horizontal Reinforcing	Bar Size	#3	#3	#3	#3	#3	#3	#3
	Spacing, in	12	12	12	12	12	12	12
Time Drilling Completed		10:29	10:49	11:03	11:33	12:02	12:38	13:05
Condition of Bottom before Concrete Placement (Wet / Dry)		DRY	DRY	DRY	DRY	DRY	DRY	DRY
Time Concrete Placed		13:21	13:28	13:36	15:50	15:56	16:05	16:13

Remarks:

Tech: James Pacheco

FUGRO USA Land, INC.
 TBPE Firm Registration No. F-299

Muhammad Khan, P.E.
 Project Manager

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Fugro Dallas
2880 Virgo Lane
Dallas, TX 75229

Phone: (972) 484-8301

Work Order#21055 Rpt#0020

DRILLED PIER OBSERVATION REPORT

Client: Town of Addison
Project: Addison Airport
Date: 11/06/19

Project No: 04.40192101
Drilling Firm: Maxon Drilling
Page 3 of 3

Pier Identification: Building Pad		B-3	B-4	B-5.2	F-1	G-3	G-5	
Pier Diameter, in.	Required	36	36	36	36	36	36	
	Actual	36	36	36	36	36	36	
Time Drilling Started		13:06	13:32	13:56	14:23	14:52	15:23	
Top of Ground Elevation, ft. ⁽¹⁾		99.8	99.8	99.8	99.8	99.8	99.8	
Top of Pier Elevation, ft		97.0	97.0	97.0	97.0	97.0	97.0	
Required Depth, ft.		10.00	10.00	10.00	9.00	8.70	8.50	
Total Depth, ft.		15.10	15.00	15.00	14.20	13.70	13.80	
Penetration ft.	Required	5.00	5.00	5.00	5.00	5.00	5.00	
	Actual	5.10	5.00	5.00	5.20	5.00	5.30	
Casing	Dia., in.	N/A	N/A	N/A	N/A	N/A	N/A	
	Length, ft	N/A	N/A	N/A	N/A	N/A	N/A	
Plumb within Tolerance (Yes/No):		YES	YES	YES	YES	YES	YES	
Vertical Reinforcing	Bar Size	#8	#8	#8	#8	#8	#8	
	Quantity	12	12	12	12	12	12	
	Length, ft	12.20	14.10	12.10	11.30	10.80	10.90	
Horizontal Reinforcing	Bar Size	#3	#3	#3	#3	#3	#3	
	Spacing,	12	12	12	12	12	12	
Time Drilling Completed		13:31	13:55	14:24	14:51	15:22	15:56	
Condition of Bottom before Concrete Placement (Wet / Dry)		DRY	DRY	DRY	DRY	DRY	DRY	
Time Concrete Placed		16:22	16:29	16:40	16:47	16:59	17:05	

Remarks:

Tech: James Pacheco

FUGRO USA Land, INC.
TBPE Firm Registration No. F-299

Muhammad Khan, P.E.
Project Manager

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RFI Response

RFI ID	087		
To	Trevor Fitzgerald JC Commercial, Inc. 1801 Lakepointe Drive Suite 129 Lewisville TX 75057 United States (972) 436-4622	From	Page CA Department Page Southerland Page, Inc. 1100 Louisiana Suite One Houston TX 77002 United States (713) 871-8484
Project	417151 - City of Addison Airport	Project No.	417151
Date	4/24/2020	Transmittal ID	00676
Subject	Proposal #10 - Changes to the Elevator		
We are sending	<input type="checkbox"/> Attached <input type="checkbox"/> Under Separate Cover	Via	Info Exchange

Question: Per the response to RFI #70, we are resubmitting proposal #10 with the following information as justification for the pricing:

It is very difficult to erect straight enough and plum enough to work with the mechanics of the car. The modifications that came out affected a number of other pieces. Four of these were already on site and had to be picked up and brought back to the shop to be refitted and then delivered once again. In regards to the labor price, the subcontractor uses his shop foreman and best fitter welders to install these items not his regular iron working crew. These guys make considerably more than the normal journeyman iron worker.

Suggestion:

Answer: **Response (Answered) from: Will Butler (Page Southerland Page, Inc.)**
Remarks:

Page and AG&E have both reviewed the proposal and agree that the added steel and erection cost request is justified given when this steel and detailing was added to the documents. We do believe that the GC is owed some costs for this work and materials. Based on AG&E past experience, the cost submitted appears to be approximately double what would be expected based on the erected steel tonnage involved in the change. Upon further review and discussions with the GC and subcontractor, they have refused to reduce these costs and again referenced the fact that modifications had to be made to steel that was already fabricated and on-site (which incurred trip charges and re-fabricating costs). They also pointed out that a high degree of detail and precision is required when doing this type of elevator work due to tight elevator tolerances and because of this they have high costs for the

labor to complete this work.

We will include the submitted cost proposal value with the next change order (CO #2) along with our response above for Owner review and comment.

Contents

Copies	Date	Number	Description
1	3/19/2020		RFI 87 - Proposal #10 - Changes to the Elevator.pdf

These are transmitted

For review and comment

For your use

As requested

Please let me know if you need any additional information or clarification. Thank you.

CC:

Darci Neuzil
Jeff Mechlem
Joe McAnally
Joel Jenkinson
Lisa Pyles
Margarita de Monterrosa
Michelle LeBlanc
Scott Arthur
Will Butler



Request for Information 87

Project Title: Addison Airport Customs and Border Protection Facility
Submitted by Subcontractor:

Date Created: 3/19/2020

Answer Company	Author Company	Authored By
Page Southerland Page, Inc. 1100 Louisiana, Suite One Houston, Texas 77002	JC Commercial 1801 Lakepointe Dr. Suite 129 Lewisville, TX 75057	Trevor Fitzgerald

Subject: Proposal #10 - Changes to Elevator
Category: Structural

Question:
Date Required: 3/26/2020

Per the response to RFI #70, we are resubmitting proposal #10 with the following information as justification for the pricing:

It is very difficult to erect straight enough and plum enough to work with the mechanics of the car. The modifications that came out affected a number of other pieces. Four of these were already on site and had to be picked up and brought back to the shop to be refitted and then delivered once again. In regards to the labor price, the subcontractor uses his shop foreman and best fitter welders to install these items not his regular iron working crew. These guys make considerably more than the normal journeyman iron worker.

Answer:
Date Answered:

Change in Work - Cost Analysis Form

Project Name: Assuan Airport
 Contractor: Siccence
 Description of Change: Changes of elevator SK-1 and SK-2

Project No.: 19-010
 Change No.: 1

Means Code	Page No.	DESCRIPTION	Quantity	Unit	Cost per hundred weight	Cost per pound	Cost per sq. ft.	Total Hourly Rate	Labor Total	Material Total	Equipment or Other	Subcontract	
		Lebor											
		Shop Labor	54	Hrs				85.00	\$4,590.00				
		Field labor erection	90	HRS				39.50	\$3,555.00	-	-	-	
		Office hours	8	HRS				65.00	\$520.00	-	-	-	
		Material											
		tube steel, angles, embeds	1	loc.	\$ 4,272.00				-	\$4,272.00	-	-	
		Equipment											
		forklift	1	Day	\$ 125.00						\$125.00		
		scissor lift	1	Day	\$ 85.00						\$85.00		
		truck expense	1	day	\$ 250.00						\$250.00		
			0	Day	\$ 635.00						\$0.00		
			0	Day	\$ 180.00						\$0.00		
			0	Day	\$ 180.00						\$0.00		
		Delivery	1	Per	\$ 130.00						\$130.00		
		Subcontractor (Detailer)										\$1,000.00	
			0.68	EA	\$ 400.00							\$0.00	
			0	SF	\$ 1.25	Per. Month	2.00					\$0.00	
		SUBTOTALS								\$8,665.00	\$4,272.00	\$590.00	\$1,000.00

Lebor, Equipment, & Material Total	\$13,527.00
Subcontractor	\$1,000.00
Overhead and Profit	\$1,452.70
Taxes	\$0.00
TOTAL FOR THIS CHANGE	\$15,979.70

Material All material is furnished up
 All material has a \$130.00 Delivery Fee in DFW

Equipment Equipment is rented by the day. Anything over 3 days goes to 1 week. Anything over 2 weeks goes to 4 weeks.
 All equipment has a pick up and delivery charge of \$130.00. This includes small equipment.

RFI Response

RFI ID	086		
To	Trevor Fitzgerald JC Commercial, Inc. 1801 Lakepointe Drive Suite 129 Lewisville TX 75057 United States (972) 436-4622	From	Page CA Department Page Southerland Page, Inc. 1100 Louisiana Suite One Houston TX 77002 United States (713) 871-8484
Project	417151 - City of Addison Airport	Project No.	417151
Date	4/6/2020	Transmittal ID	00643
Subject	Proposal #16 - Additional Fill (Civil)		
We are sending	<input type="checkbox"/> Attached <input type="checkbox"/> Under Separate Cover	Via	Info Exchange

Question: Please see the attached proposal.

Suggestion:

Answer: **Response (Answered) from: Vladimir Stevanovic (Garver)**
Remarks:

Contents

Copies	Date	Number	Description
1	3/19/2020		RFI #86 - Proposal #16 - Additional Fill (Civil).pdf

These are transmitted For review and comment For your use As requested

Please let me know if you need any additional information or clarification. Thank you.

CC: Darci Neuzil
Jeff Mechlem
Joe McAnally
Joel Jenkinson
Lisa Pyles
Margarita de **Monterrosa**
Michael Haskins
Michelle LeBlanc
Scott Arthur
Will Butler



Proposal #16

Project: <u>Addison Airport Customs and</u>	Customer: <u>Town of Addison</u>
<u>Border Protection Facility</u>	<u>5350 Beltline Road</u>
Date: <u>3/19/2020</u>	<u>Dallas, Texas 75254</u>
Attn: <u>Jeff Mechlem, Mitchell McAnally</u>	Architect: <u>Page Southerland Page</u>
<u>Will Butler, Vlad Stevanovic</u>	<u>1100 Louisiana Street, Suite One</u>
	<u>Houston, Texas 77002</u>

This Proposal contains a quotation for changes in the Contract Sum and/or Contract Time in response to proposed modifications to the Contract Documents based on RFI 13 and field directive from Garver/Page.

Item	Description	Total
1	1550 yards of common fill for civil area of the project only. This excludes the building pad.	\$ 85,250.00
Sub-total		\$ 85,250.00
General Conditions		\$ 4,262.50
Sub-total		\$ 89,512.50
Insurance		\$ 1,790.25
Bond		\$ 1,790.25
Sub-total		\$ 93,093.00
Mark up		\$ 13,963.95
Total		\$ 107,056.95

Does Proposed Change involve a change in Contract Sum?	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	[Increase / Decrease]	\$107,056.95
Does Proposed Change involve a change in Contract Time?	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	[Increase / Decrease]	Days 10

JC Commercial CONTRACTOR 1801 Lakepointe Drive, Suite #129 Lewisville, TX 75057	Architect
---	-----------

By: Scott Arthur
Signature: Scott Arthur
Date: 3/19/2020

By: _____
Signature: _____
Date: _____

Town of Addison Airport
4545 Jimmy Doolittle Drive
Addison, TX 75001

Project Information
Project Name: Airport Improvement Project
Project No.: 15012-1000
Phase: Final Design
Date: 11/11/15

Design Information
Design Speed: 40 MPH
Subgrade: 4%
Slope: 1:1

Notes

- Stationing is in 100-foot increments.
- Elevations are in feet above sea level.
- The design is based on the provided data.

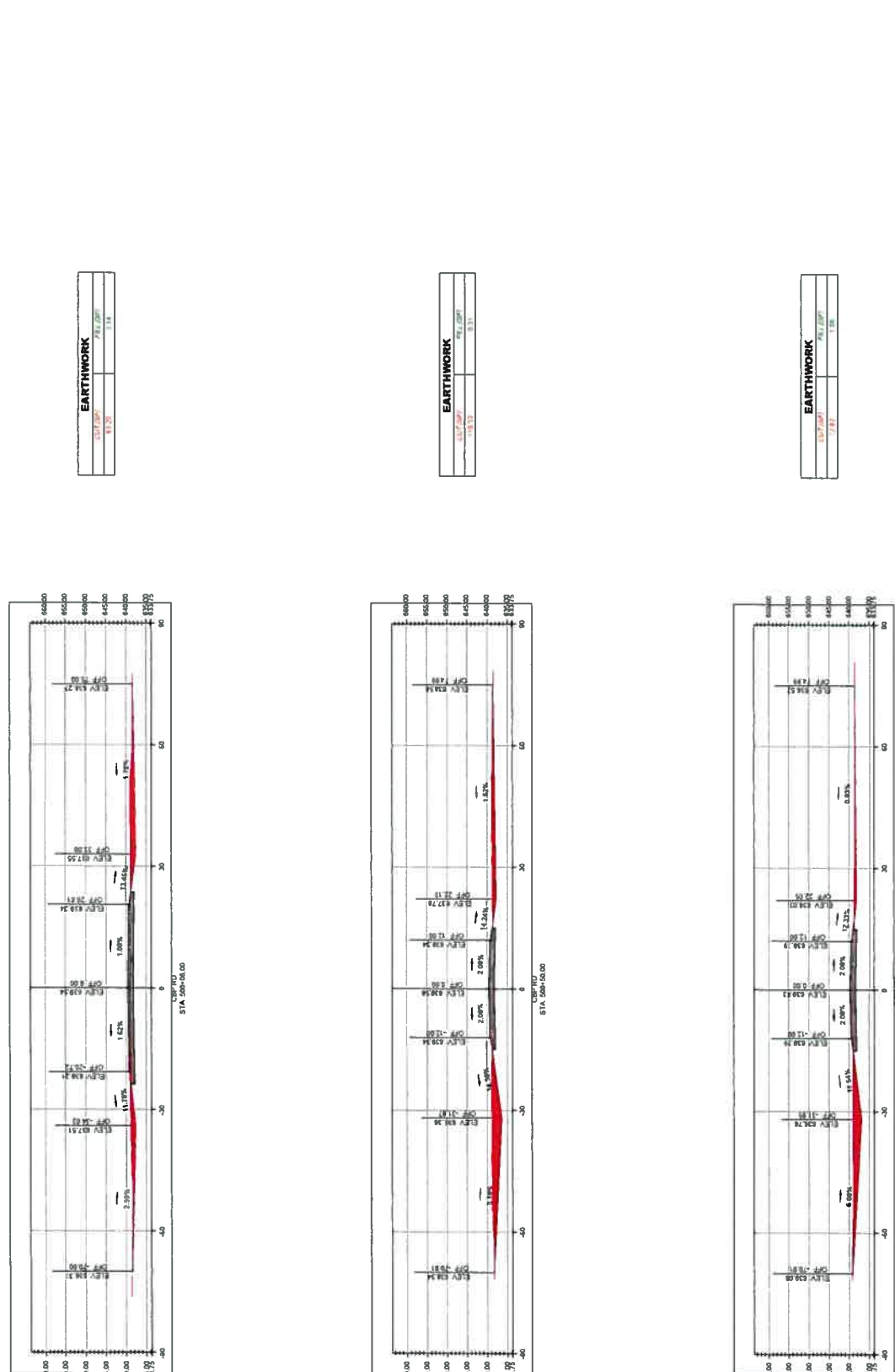
Station	Original Elevation	Proposed Elevation	Change
100	64.00	64.00	0.00
200	64.00	64.00	0.00
300	64.00	64.00	0.00
400	64.00	64.00	0.00
500	64.00	64.00	0.00
600	64.00	64.00	0.00
700	64.00	64.00	0.00
800	64.00	64.00	0.00
900	64.00	64.00	0.00
1000	64.00	64.00	0.00

CP 1500 CROSS SECTIONS 1

DATE: 11/11/15

DRAWN BY: [Name]

XSEC6



EARTHWORK

Station	Original Elevation	Proposed Elevation	Change
100	64.00	64.00	0.00
200	64.00	64.00	0.00
300	64.00	64.00	0.00
400	64.00	64.00	0.00
500	64.00	64.00	0.00
600	64.00	64.00	0.00
700	64.00	64.00	0.00
800	64.00	64.00	0.00
900	64.00	64.00	0.00
1000	64.00	64.00	0.00

Notes

- Stationing is in 100-foot increments.
- Elevations are in feet above sea level.
- The design is based on the provided data.

Station	Original Elevation	Proposed Elevation	Change
100	64.00	64.00	0.00
200	64.00	64.00	0.00
300	64.00	64.00	0.00
400	64.00	64.00	0.00
500	64.00	64.00	0.00
600	64.00	64.00	0.00
700	64.00	64.00	0.00
800	64.00	64.00	0.00
900	64.00	64.00	0.00
1000	64.00	64.00	0.00

Page Development of P.C. Plan
 11/06/2013
 11/06/2013
 11/06/2013

PROJECT TITLE:
 Addon of P.C. Plan
 11/06/2013
PROJECT LOCATION:
 Addon of P.C. Plan
 11/06/2013
PROJECT NUMBER:
 Addon of P.C. Plan
 11/06/2013
PROJECT OWNER:
 Addon of P.C. Plan
 11/06/2013
PROJECT DATE:
 Addon of P.C. Plan
 11/06/2013

Town of Addison Airport Customs and Border Protection Facility 4545 Jimmy Doolittle Drive Addison, TX 75001

REVISION HISTORY

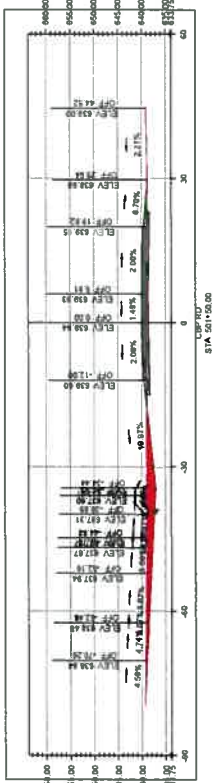
NO.	DATE	DESCRIPTION

OP ROAD CROSS SECTIONS 2

NO.	DATE	DESCRIPTION

XSEC7

EARTHWORK	
CUT (AREA)	11.39
FILL (AREA)	14.11
TOTAL (AREA)	
CUT (VOL)	22.25
FILL (VOL)	30.02



Paul Development Corp., Inc.
 1100 West Loop West, Suite 1000
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 www.pauldevelopment.com

Project Information:
 Project Name: **Customs and Border Protection Facility**
 Project Location: **Addison, TX 75001**
 Project No.: **15-0000-0001**
 Drawing No.: **15-0000-0001**

Client:
 U.S. Customs and Border Protection
 4401 W. Loop West, Suite 1000
 Houston, TX 77028
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Design Team:
 Designer: **URS**
 10000 West Loop West, Suite 1000
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Contract Information:
 Contract No.: **15-0000-0001**
 Contract Date: **11/15/2015**

Revision History:
 1. 11/15/2015: Initial Design
 2. 11/15/2015: Final Design

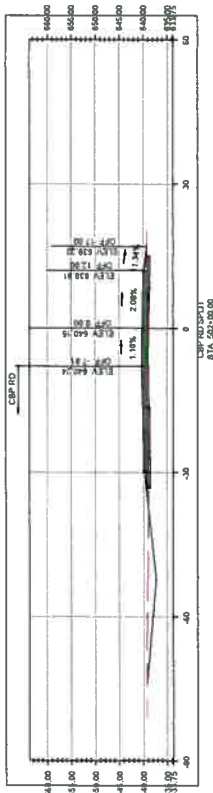
**Town of Addison Airport
 Customs and Border Protection Facility**
 4545 Jimmy Doolittle Drive
 Addison, TX 75001

NO.	DATE	DESCRIPTION
1	11/15/2015	Initial Design
2	11/15/2015	Final Design

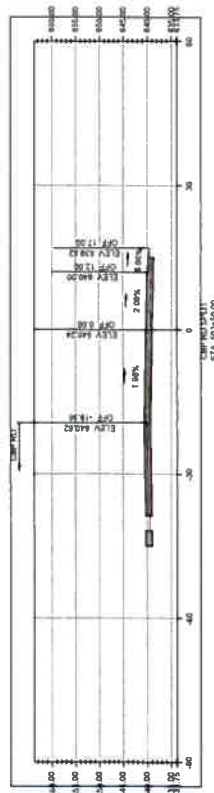
CIP ROAD SHIT CROSS SECTION 1

DATE: 11/15/2015
 DRAWN BY: [Name]
 CHECKED BY: [Name]
 PROJECT NO.: 15-0000-0001
 DRAWING NO.: 15-0000-0001

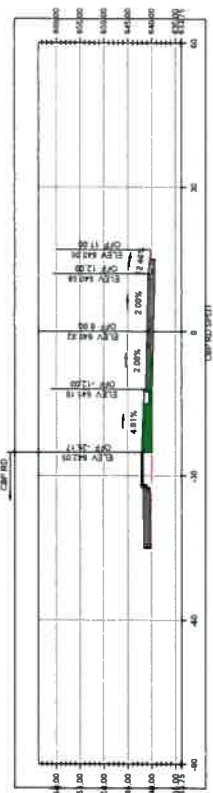
XSEC10



EARTHWORK	15.77	10.21
	15.77	10.21



EARTHWORK	1.53	4.75
	1.53	4.75



EARTHWORK	2.13	22.53
	2.13	22.53

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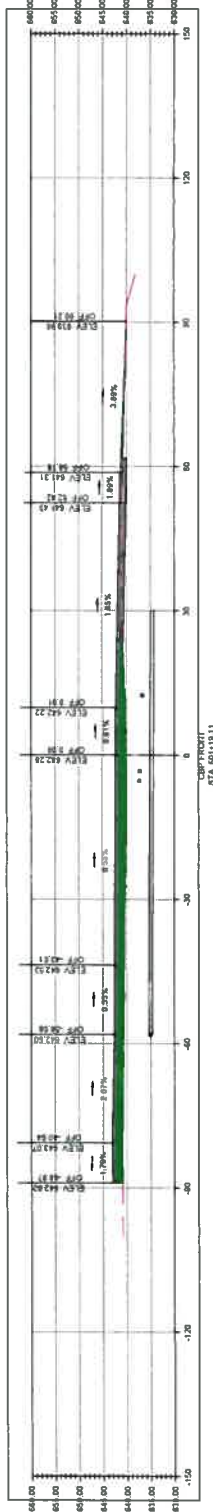
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Town of Addison Airport
Customs and Border Protection Facility
Addison, TX 75001

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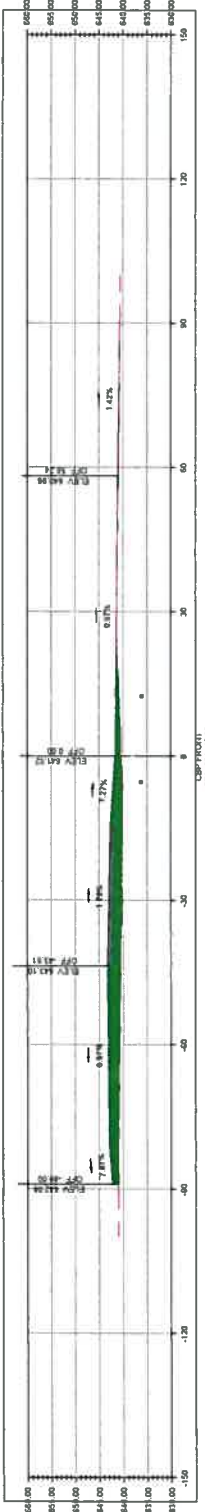
REVISION HISTORY table with columns for revision number, description, and date.

PROJECT NO:
SHEET NO:
DATE:
SCALE:

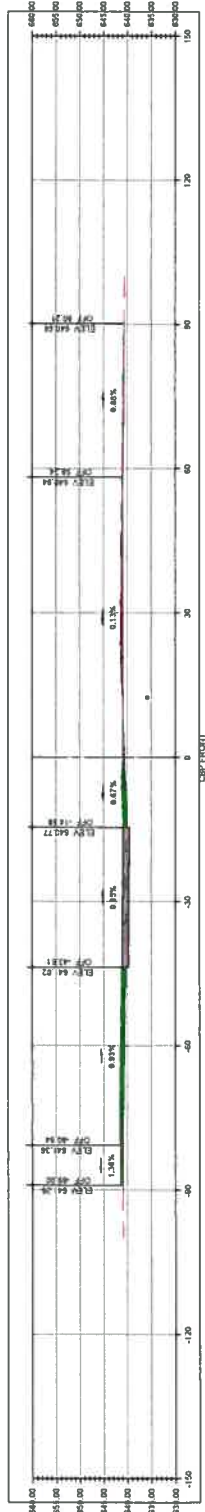
XSECC13



EARTHWORK summary table for STA 60+10.00 to 60+150.00.



EARTHWORK summary table for STA 60+150.00 to 60+200.00.



EARTHWORK summary table for STA 60+200.00 to 60+250.00.

Addison Airport
FIS Landside Earthwork

LANDSCAPING		Original Survey Takeoff Calculations		JC Survey Takeoff Calculations		
Location	Area (SF)	Average Depth (FT)	Volume (CY)	Average Depth (FT)	Volume (CY)	Volume w/Compaction (CY)
1	1752.00	1.04	67.48	1.86	120.69	168.97
2	1929.00	0.78	55.73	1.21	86.45	121.03
3	4719.00	0.38	66.42	0.04	6.99	9.79
4	2659.00	0.54	53.18	0.57	56.13	75.50
5	2014.00	0.62	46.25	0.55	41.03	57.44
6	4393.00	0.09	14.64	0.81	131.79	184.51
7	4192.00	-0.84	-130.42	0.10	15.53	21.74
8	4069.00	-0.18	-27.13	0.12	18.08	25.32
9	4035.00	-0.28	-41.84	0.01	1.49	2.09
10	857.00	1.23	39.04	1.33	42.22	59.10
11	7647.00	-0.15	-42.48	-0.06	0.00	0.00
12	627.00	2.56	59.45	2.56	59.45	83.23
13	5828.00	0.65	140.30	0.45	97.13	135.99
14	3265.00	0.22	26.60	0.27	32.65	45.71
33	956.00	2.32	82.15	3.07	108.70	152.18
34	540.00	2.43	48.60	2.43	48.60	68.04
35	3354.00	0.39	48.45	0.72	89.44	125.22
Subtotal =			506.41		956.38	1338.93
Concrete Volume (CY) =			0.00		0.00	0.00
Site Stripping (CY) =			0.00		0.00	332.68
Total Volume (CY) =			506.41		956.38	1671.61

Corrected

FIRE LANE		Original Survey Takeoff Calculations		JC Survey Takeoff Calculations		
Location	Area (SF)	Average Depth (FT)	Volume (CY)	Average Depth (FT)	Volume (CY)	Volume w/Compaction (CY)
15	1344.00	2.06	102.54	2.99	148.84	208.37
16	1321.00	2.02	98.83	3.32	162.43	227.41
17	2649.00	1.98	194.26	2.18	213.88	299.44
20	2321.00	1.45	124.65	1.79	153.87	215.42
22	1939.00	1.51	108.44	1.60	114.90	160.87
24	2767.00	2.54	260.30	1.94	198.81	278.34
26	3586.00	1.48	196.57	1.51	200.55	280.77
27	4083.00	0.72	108.88	0.63	95.27	133.38
28	3953.00	0.63	92.24	0.84	122.98	172.18
29	2625.00	0.39	37.92	0.96	93.33	130.67
Subtotal =			1324.62		1504.88	2106.83
Concrete Volume (CY) =			-659.78		-659.78	-659.78
Site Stripping (CY) =			0.00		0.00	246.19
Total Volume (CY) =			664.84		845.10	1693.24

SIDEWALK		Original Survey Takeoff Calculations		JC Survey Takeoff Calculations		
Location	Area (SF)	Average Depth (FT)	Volume (CY)	Average Depth (FT)	Volume (CY)	Total Volume w/Compaction (CY)
30	2645.00	2.41	236.09	2.41	236.09	330.53
Subtotal =			236.09		236.09	330.53
Concrete Volume (CY) =			-32.33		-32.33	-32.33
Site Stripping (CY) =			0.00		0.00	0.00
Total Volume (CY) =			203.76		203.76	298.20

PARKING AREA		Original Survey Takeoff Calculations		JC Survey Takeoff Calculations		
Location	Area (SF)	Average Depth (FT)	Volume (CY)	Average Depth (FT)	Volume (CY)	Volume w/Compaction (CY)
18	1431.00	1.14	60.42	1.26	66.78	93.49
19	1364.00	2.35	118.72	2.35	118.72	166.21
21	1644.00	2.09	127.26	2.17	132.13	184.98
23	545.00	2.76	55.71	2.63	53.09	74.32
25	2581.00	2.16	206.48	2.18	208.39	291.75
Subtotal =			568.59		579.11	810.75
Concrete Volume (CY) =			-187.73		-187.73	-187.73
Site Stripping (CY) =			0.00		0.00	70.05
Total Volume (CY) =			380.86		391.38	693.07

WEST FILL		Original Survey Takeoff Calculations		JC Survey Takeoff Calculations		
Location	Area (SF)	Average Depth (FT)	Volume (CY)	Average Depth (FT)	Volume (CY)	Volume w/Compaction (CY)
31	3812.00	0.00	0.00	2.69	379.79	531.70
		Subtotal =	0.00		379.79	531.70
		Concrete Volume (CY) =	0.00		0.00	0.00
		Site Stripping (CY) =	0.00		0.00	0.00
		Total Volume (CY) =	0.00		379.79	531.70

EARTHWORK VOLUME SUMMARY				
LOCATION	Original Survey Takeoff VOLUME (CY)	JC Survey Average End		JC Survey Takeoff w/Compaction VOLUME (CY)
		Area Method VOLUME (CY)	JC Survey Takeoff VOLUME (CY)	
LANDSCAPING =	506.41		956.38	1671.61
FIRE LANE =	664.84		845.10	1693.24
SIDEWALK =	203.76		203.76	298.20
PARKING AREA =	380.86		391.38	693.07
FOUNDATION =	0.00		0.00	1633.92
WEST FILL =	0.00		379.79	531.70
TOTAL =	1755.87	1957.00	2776.40	6521.74
CONTRACT EMBANKMENT QUANTITY (CY) =		1006.00	1006.00	1006.00
DIFFERENCE IN VOLUME (CY) =		951.00	1770.40	5515.74

ITEM P-152 EXCAVATION, SUBGRADE, AND EMBANKMENT

DESCRIPTION

152-1.1 This item covers excavation, disposal, placement, and compaction of all materials within the limits of the work required to construct safety areas, runways, taxiways, aprons, and intermediate areas as well as other areas for drainage, building construction, parking, or other purposes in accordance with these specifications and in conformity to the dimensions and typical sections shown on the plans.

152-1.2 CLASSIFICATION. All material excavated shall be classified as defined below:

a. Unclassified Excavation. Unclassified excavation shall consist of the excavation and disposal of all material, regardless of its nature which is not otherwise classified and paid for under one of the following items.

~~**b. Rock Excavation.** Rock excavation shall include all solid rock in ledges, in bedded deposits, in unstratified masses, and conglomerate deposits which are so firmly cemented they cannot be removed without blasting or using rippers. All boulders containing a volume of more than 1/2 cubic yard will be classified as "rock excavation."~~

~~**c. Muck Excavation.** Muck excavation shall consist of the removal and disposal of deposits or mixtures of soils and organic matter not suitable for foundation material. Muck shall include materials that will decay or produce subsidence in the embankment. It may consist of decaying stumps, roots, logs, humus, or other material not satisfactory for incorporation in the embankment.~~

~~**d. Drainage Excavation.** Drainage excavation shall consist of all excavation made for the primary purpose of drainage and includes drainage ditches, such as intercepting, inlet or outlet ditches; temporary levee construction; or any other type as shown on the plans.~~

~~**e. Borrow Excavation.** Borrow excavation shall consist of approved material required for the construction of embankments or for other portions of the work in excess of the quantity of usable material available from required excavations. Borrow material shall be obtained from areas designated by the Engineer within the limits of the airport property but outside the normal limits of necessary grading, or from areas outside the airport boundaries.~~

152-1.3 Unsuitable Excavation. Any material containing vegetable or organic matter, such as muck, peat, organic silt, or sod shall be considered unsuitable for use in embankment construction. Material, suitable for topsoil may be used on the embankment slope when approved by the Engineer. ***Material not considered by the Engineer to be suitable for use on the embankment slope shall be disposed of off-site or as directed by the Engineer. Undercutting of material unsatisfactory for subgrade foundation, roads, shoulders, or areas intended for turfing shall be considered unsuitable excavation and shall be excavated to the depth specified by the Engineer below the subgrade.***

CONSTRUCTION METHODS

152-2.1 General. ~~Before beginning excavation, grading, and embankment operations in any area, the area shall be completely cleared and grubbed in accordance with Item P-151.~~

The suitability of material to be placed in embankments shall be subject to approval by the Engineer. All unsuitable material shall be disposed of in waste areas shown on the plans. All waste areas shall be graded to allow positive drainage of the area and of adjacent areas. The surface elevation of waste areas shall not extend above the surface elevation of adjacent usable areas of the airport, unless specified on the plans or approved by the Engineer.

When the Contractor's excavating operations encounter artifacts of historical or archaeological significance, the operations shall be temporarily discontinued and the Engineer notified per subsection 70-20 ~~of the General Provisions~~. At the direction of the Engineer, the Contractor shall excavate the site in such a manner as to preserve the artifacts encountered and allow for their removal. Such excavation will be paid for as extra work.

Those areas outside of the limits of the pavement areas where the top layer of soil material has become compacted by hauling or other Contractor activities shall be scarified and disked to a depth of 4 inches, to loosen and pulverize the soil.

If it is necessary to interrupt existing surface drainage, sewers or under-drainage, conduits, utilities, or similar underground structures, the Contractor shall be responsible for and shall take all necessary precautions to preserve them or provide temporary services. When such facilities are encountered, the Contractor shall notify the Engineer, who shall arrange for their removal if necessary. The Contractor, at his or her expense, shall satisfactorily repair or pay the cost of all damage to such facilities or structures that may result from any of the Contractor's operations during the period of the contract.

152-2.2 EXCAVATION. No excavation shall be started until the work has been staked out by the Contractor and the Engineer has obtained from the Contractor the survey notes of the elevations and measurements of the ground surface. All areas to be excavated shall be stripped of vegetation and topsoil. Topsoil shall be stockpiled for future use in areas designated on the plans or by the Engineer. All suitable excavated material shall be used in the formation of embankment, subgrade, or other purposes shown on the plans. All unsuitable material shall be disposed of as *described in paragraph 152-1.3 shown on the plans.*

When the volume of the excavation exceeds that required to construct the embankments to the grades indicated, the excess shall be used to grade the areas of ultimate development or disposed as directed by the Owner. When the volume of excavation is not sufficient for constructing the embankments to the grades indicated, the deficiency shall be obtained from borrow areas.

The grade shall be maintained so that the surface is well drained at all times. When necessary, temporary drains and drainage ditches shall be installed to intercept or divert surface water that may affect the work.

a. Selective Grading. When the quality of material varies ~~selective grading is indicated on the plans,~~ the more suitable material designated by the Engineer shall be used in constructing the embankment or in capping the pavement subgrade. If, at the time of excavation, it is not possible to place this material in its final location, it shall be stockpiled in approved areas. ~~so that it can be measured for payment as specified in paragraph 152-3.3. .~~ *Selective grading will not be measured for separate payment but will be considered subsidiary to "Unclassified Excavation".*

b. Undercutting. Rock, shale, hardpan, loose rock, boulders, or other material unsatisfactory for safety areas, subgrades, roads, shoulders, or any areas intended for turf shall be excavated to a minimum depth of 12 inches below the subgrade or to the depth specified by the Engineer. Muck, peat, matted roots, or other yielding material, unsatisfactory for subgrade foundation, shall be removed to the depth specified. Unsuitable materials shall be disposed off the airport. The cost is incidental to this item *disposed of as directed in paragraph 152-1.3.* This excavated material shall be paid for at the contract unit price per cubic yard for **Unsuitable Excavation**. The excavated area shall be backfilled with suitable material obtained from the grading operations or borrow areas and compacted to specified densities. The necessary backfill will constitute a *necessary part of Unsuitable Excavation* ~~part of the embankment~~. Where rock cuts are made, backfill with select material. Any pockets created in the rock surface shall be drained *as directed by the Engineer in accordance with the details shown on the plans.*

c. Overbreak. Overbreak, including slides, is that portion of any material displaced or loosened beyond the finished work as planned or authorized by the Engineer. All overbreak shall be graded or removed by the Contractor and disposed of as directed by the Engineer. The Engineer shall determine if the displacement of such material was unavoidable and his or her decision shall be final. Payment will not be

made for the removal and disposal of overbreak that the Engineer determines as avoidable. Unavoidable overbreak will be classified as "Unclassified Excavation."

d. Removal of Utilities. The removal of *some* existing structures and utilities required to permit the orderly progress of work *may* will be accomplished by someone other than the Contractor; for example, the utility unless otherwise shown on the plans. All existing foundations shall be excavated at least 2 feet below the top of subgrade or as indicated on the plans, and the material disposed of as directed by the Engineer. All foundations thus excavated shall be backfilled with suitable material and compacted as specified. *All work associated with the excavation, removal, backfill, disposal, and/or stockpiling of existing structures and culverts be considered subsidiary to "Unclassified Excavation".*

e. Compaction Requirements. The subgrade under areas to be paved shall be compacted to a depth of 8" and to a density of not less than 95 percent of the maximum density as determined by ASTM D1557. The material to be compacted shall be within $\pm 2\%$ of optimum moisture content before being rolled to obtain the prescribed compaction (except for expansive soils).

The in-place field density shall be determined in accordance with ASTM D6938 using Procedure A, the direct transmission method, and ASTM D6938 shall be used to determine the moisture content of the material. The machine shall be calibrated in accordance with ASTM D6938. Stones or rock fragments larger than 4 inches in their greatest dimension will not be permitted in the top 6 inches of the subgrade. The finished grading operations, conforming to the typical cross-section, shall be completed and maintained at least 1,000 feet ahead of the paving operations or as directed by the Engineer.

All loose or protruding rocks on the back slopes of cuts shall be pried loose or otherwise removed to the slope finished grade line. All cut-and-fill slopes shall be uniformly dressed to the slope, cross-section, and alignment shown on the plans or as directed by the Engineer.

Blasting shall not be allowed.

f. Proof Rolling. After compaction is completed, the subgrade area shall be proof rolled with heavy pneumatic-tired roller having four or more tires abreast, each tire loaded to a minimum of 30,000 pounds and inflated to a minimum of 125 psi in the presence of the independent QC Engineer. Apply a minimum of 50% coverage, or as specified by the Engineer, to all paved areas. A coverage is defined as the application of one tire print over the designated area. Soft areas of subgrade that deflect more than 1 inch or show permanent deformation greater than 1 inch shall be removed and replaced with suitable material or reworked to conform to the moisture content and compaction requirements in accordance with these specifications.

152-2.3 BORROW EXCAVATION. Borrow areas within the airport property are indicated on the plans. Borrow excavation shall be made only at these designated locations and within the horizontal and vertical limits as staked or as directed by the Engineer.

When borrow sources are outside the boundaries of the airport property, it shall be the Contractor's responsibility to locate and obtain the borrow sources, subject to the approval of the Engineer. The Contractor shall notify the Engineer at least 15 days prior to beginning the excavation so necessary measurements and tests can be made. All borrow pits shall be opened up to expose the various strata of acceptable material to allow obtaining a uniform product. All unsuitable material shall be disposed of by the Contractor. Borrow pits shall be excavated to regular lines to permit accurate measurements, and they shall be drained and left in a neat, presentable condition with all slopes dressed uniformly.

152-2.4 DRAINAGE EXCAVATION. Drainage excavation shall consist of excavating for drainage ditches such as intercepting; inlet or outlet ditches; for temporary levee construction; or for any other type as designed or as shown on the plans. The work shall be performed in sequence with the other construction. Intercepting ditches shall be constructed prior to starting adjacent excavation operations. All satisfactory material shall be placed in embankment fills; unsuitable material shall be placed in designated waste areas

or as directed by the Engineer. All necessary work shall be performed true to final line, elevation, and cross-section. The Contractor shall maintain ditches constructed on the project to the required cross-section and shall keep them free of debris or obstructions until the project is accepted.

152-2.5 PREPARATION OF EMBANKMENT AREA. Where an embankment is to be constructed to a height of 4 feet or less, all sod and vegetative matter shall be removed from the surface upon which the embankment is to be placed. The cleared surface shall be broken up by plowing or scarifying to a minimum depth of 6 inches and shall then be compacted as indicated in paragraph 152-2.6.

When the height of fill is greater than 4 feet, sod not required to be removed shall be thoroughly disked and recompacted to the density of the surrounding ground before construction of embankment.

Sloped surfaces steeper than one (1) vertical to four (4) horizontal shall be plowed, stepped, benched, or broken up so that the fill material will bond with the existing material. When the subgrade is part fill and part excavation or natural ground, the excavated or natural ground portion shall be scarified to a depth of 12 inches and compacted as specified for the adjacent fill.

No direct payment shall be made for the work performed under this section. The necessary clearing and grubbing and the quantity of excavation removed will be paid for under the respective items of work.

152-2.6 FORMATION OF EMBANKMENTS. Embankments shall be formed in successive horizontal layers of not more than 8 inches in loose depth for the full width of the cross-section, unless otherwise approved by the Engineer.

The layers shall be placed, to produce a soil structure as shown on the typical cross-section or as directed by the Engineer. Materials such as brush, hedge, roots, stumps, grass and other organic matter, shall not be incorporated or buried in the embankment.

Earthwork operations shall be suspended at any time when satisfactory results cannot be obtained because of rain, freezing, or other unsatisfactory weather conditions in the field. Frozen material shall not be placed in the embankment nor shall embankment be placed upon frozen material. Material shall not be placed on surfaces that are muddy, frozen, or contain frost. The Contractor shall drag, blade, or slope the embankment to provide surface drainage at all times.

The material in each layer shall be within $\pm 2\%$ of optimum moisture content before rolling to obtain the prescribed compaction. To achieve a uniform moisture content throughout the layer, the material shall be moistened or aerated as necessary. Samples of all embankment materials for testing, both before and after placement and compaction, will be taken for each 1000SY of material placed. Based on these tests, the Contractor shall make the necessary corrections and adjustments in methods, materials or moisture content to achieve the specified embankment density.

Rolling operations shall be continued until the embankment is compacted to not less than 95% of maximum density for noncohesive soils, and 90% of maximum density for cohesive soils as determined by ASTM D1557. Under all areas to be paved, the embankments shall be compacted to a depth of 8" and to a density of not less than 95 percent of the maximum density as determined by ASTM D1557.

On all areas outside of the pavement areas, no compaction will be required on the top 4 inches.

The in-place field density shall be determined in accordance with ASTM D6938 using Procedure A, the direct transmission method, and ASTM D6938 shall be used to determine the moisture content of the material. The machine shall be calibrated in accordance with ASTM D6938. *The Engineer shall perform all density tests.*

Compaction areas shall be kept separate, and no layer shall be covered by another layer until the proper density is obtained.

During construction of the embankment, the Contractor shall route all construction equipment evenly over the entire width of the embankment as each layer is placed. Layer placement shall begin in the deepest portion of the embankment fill. As placement progresses, the layers shall be constructed approximately parallel to the finished pavement grade line.

When rock and other embankment material are excavated at approximately the same time, the rock shall be incorporated into the outer portion of the embankment and the other material shall be incorporated under the future paved areas. Stones or fragmentary rock larger than 4 inches in their greatest dimensions will not be allowed in the top 6 inches of the subgrade. Rockfill shall be brought up in layers as specified or as directed by the Engineer and the finer material shall be used to fill the voids with forming a dense, compact mass. Rock or boulders shall not be disposed of outside the excavation or embankment areas, except at places and in the manner designated on the plans or by the Engineer.

When the excavated material consists predominantly of rock fragments of such size that the material cannot be placed in layers of the prescribed thickness without crushing, pulverizing or further breaking down the pieces, such material may be placed in the embankment as directed in layers not exceeding 2 feet in thickness. Each layer shall be leveled and smoothed with suitable equipment by distribution of spalls and finer fragments of rock. The layer shall not be constructed above an elevation 4 feet below the finished subgrade.

There will be no separate measurement of payment for compacted embankment. All costs incidental to placing in layers, compacting, discing, watering, mixing, sloping, and other operations necessary for construction of embankments will be included in the contract price for excavation, borrow, or other items.

Imported material for fill or backfill under pavements shall be free of rock fragments greater than 4 inches in size, organic matter, and other deleterious materials. The material should also have a liquid limit less than 60 and plasticity index at least 16. The fine content (percent passing a No. 200 sieve) of the material should be 45 percent or more.

152-2.7 FINISHING AND PROTECTION OF SUBGRADE. After the subgrade is substantially complete, the Contractor shall remove any soft or other unstable material over the full width of the subgrade that will not compact properly. All low areas, holes or depressions in the subgrade shall be brought to grade with suitable select material. Scarifying, blading, rolling and other methods shall be performed to provide a thoroughly compacted subgrade shaped to the lines and grades shown on the plans.

Grading of the subgrade shall be performed so that it will drain readily. The Contractor shall protect the subgrade from damage and limit hauling over the finished subgrade to only traffic essential for construction purposes. All ruts or rough places that develop in the completed subgrade shall be graded and recompacted.

No subbase, base, or surface course shall be placed on the subgrade until the subgrade has been approved by the Engineer.

152-2.8 HAUL. All hauling will be considered a necessary and incidental part of the work. The Contractor shall include the cost in the contract unit price for the pay of items of work involved. No payment will be made separately or directly for hauling on any part of the work.

152-2.9 TOLERANCES. In those areas upon which a subbase or base course is to be placed, the top of the subgrade shall be of such smoothness that, when tested with a 12-foot straightedge applied parallel and at right angles to the centerline, it shall not show any deviation in excess of 1/2 inch, or shall not be more than 0.05 feet from true grade as established by grade hubs. Any deviation in excess of these amounts shall be corrected by loosening, adding, or removing materials; reshaping; and recompacting.

On safety areas, intermediate and other designated areas, the surface shall be of such smoothness that it will not vary more than 0.10 feet from true grade as established by grade hubs. Any deviation in excess of this amount shall be corrected by loosening, adding or removing materials, and reshaping.

152-2.10 TOPSOIL. When topsoil is specified or required as shown on the plans or under Item T-905, it shall be salvaged from stripping or other grading operations. The topsoil shall meet the requirements of Item T-905. If, at the time of excavation or stripping, the topsoil cannot be placed in its final section of finished construction, the material shall be stockpiled at approved locations. Stockpiles shall not be placed within **400** feet of runway pavement or **100** feet of taxiway pavement and shall not be placed on areas that subsequently will require any excavation or embankment fill. If, in the judgment of the Engineer, it is practical to place the salvaged topsoil at the time of excavation or stripping, the material shall be placed in its final position without stockpiling or further rehandling.

Upon completion of grading operations, stockpiled topsoil shall be handled and placed as directed, or as required in Item T-905.

No direct payment will be made for topsoil under Item P-152. The quantity removed and placed directly or stockpiled shall be paid for at the contract unit price per cubic yard for "Unclassified Excavation."

When stockpiling of topsoil and later rehandling of such material is directed by the Engineer, the material so rehandled shall be paid for at the contract unit price per cubic yard for "topsoiling," as provided in Item T-905.

METHOD OF MEASUREMENT

152-3.1 The quantity of excavation to be paid for shall be the number of cubic yards measured in its original position. Measurement shall not include the quantity of materials excavated without authorization beyond normal slope lines, or the quantity of material used for purposes other than those directed.

*Measurement of excavation/embankment shall be based on **plan quantities**. These quantities are believed to be correct and shall be utilized for final excavation quantity payment not withstanding any adjustments to the project by written direction of the Engineer. Should the contractor find discrepancies and/or errors, he/she shall bring the discrepancy and/or error to the attention of the Engineer immediately and corrections shall be made to the quantity of excavation to be paid for by change order. It is expressly understood by the contractor that upon disturbance of the existing ground and no notification to the engineer of possible errors, that the contractor accepts as final payment the quantities of excavation as detailed on the plans and laid out in the proposal. **No adjustment has been made to the plan quantities for the construction or demolition of existing drainage structures. The Contractor shall make his own determination as to the amount of unsuitable excavated material which may be encountered and the resulting additional borrow material required for the construction of the embankment. There will be no adjustment for additional embankment required to construct the project if the excavated material is deemed unsuitable.***

~~**152-3.2** Borrow material shall be paid for on the basis of the number of cubic yards measured in its original position at the borrow pit.~~

~~**152-3.3** Stockpiled material shall be paid for on the basis of the number of cubic yards measured in the stockpiled position as soon as the material has been stockpiled.~~

152-3.2 For payment specified by the cubic yard, measurement for all excavation/embankment shall be computed by the average end area method. The end area is that bound by the original ground line established by field cross-sections and the final theoretical pay line established by **Excavation/embankment cross-sections shown on the plans, subject to verification by the Engineer. After completion of all excavation/embankment operations and prior to the placing of base or subbase material, the final excavation/embankment shall be verified by the Engineer by means of field cross-sections taken randomly at intervals not exceeding 500 linear feet.**

In cut sections, the additional cut required to construct the topsoil layer to the plan grade has not been measured and will not be measured for separate payment but will be subsidiary to "Unclassified Excavation". In fill sections, the additional fill required to replace the stripped material has not been measured and will not be measured for payment but will be subsidiary to "Unclassified Excavation".

No allowance has been made in the measurement for shrink/swell. The Contractor shall make his own determination as to the amount of shrink/swell involved in the construction of the embankment.

The Contractor shall make his own determination as to the suitability of the excavated material to be placed in embankments and the resulting additional off-site material required for the construction of the embankment. Additional off-site material required for the formation of embankment shall not be measured for separate payment but shall be considered subsidiary to "Unclassified Excavation".

152-3.6 *Unsuitable excavation shall be measured from the surface of the ground, after stripping has been accomplished, or from the bottom of the planned excavation, to the depth of the excavation as directed by the Engineer. Measurements will be taken by the Engineer, and the volume of excavation will be calculated by the average end area method. The necessary refilling of unsuitable areas will not be measured for separate payment but will be subsidiary to "Unsuitable Excavation". Only that amount of excavation directed by the Engineer will be measured for payment.*

BASIS OF PAYMENT

152-4.1 "Unclassified excavation" payment shall be made at the contract unit price per cubic yard. This price shall be full compensation for furnishing all materials, labor, equipment, tools, and incidentals necessary to complete the item.

Payment will be made under:

Item P-152-4.1	Unclassified Excavation – per Cubic Yard
Item P-152-4.2	Embankment – per Cubic Yard

TESTING REQUIREMENTS

ASTM D698	Standard Test Methods for Laboratory Compaction Characteristics of Soil Using Standard Effort (12,400 ft-lbf/ft ³)
ASTM D1556	Standard Test Method for Density and Unit Weight of Soil in Place by the Sand-Cone Method
ASTM D1557	Standard Test Methods for Laboratory Compaction Characteristics of Soil Using Modified Effort (56,000 ft-lbf/ft ³)
ASTM D2167	Standard Test Method for Density and Unit Weight of Soil in Place by the Rubber Balloon Method
ASTM D6938	Standard Test Methods for In-Place Density and Water Content of Soil and Soil-Aggregate by Nuclear Methods (Shallow Depth)

END OF ITEM P-152

Stevanovic, Vladimir (Vlad)

From: Bunch, Kyle <kbunch@mooresupply.com>
Sent: Monday, April 13, 2020 9:28 AM
To: Juan Tobias
Subject: Fw: Acorn

Kyle Bunch
Moore Supply Company
Phone: 817-784-2340
Fax: 817-784-2335
E-fax: 484-708-1921

From: Blake Lenamond <blenamond@dillardassoc.com>
Sent: Monday, April 13, 2020 8:56 AM
To: Bunch, Kyle <kbunch@mooresupply.com>
Subject: Acorn

NOTE: THIS IS AN EXTERNAL EMAIL

Kyle,

Acorn orders are non returnable and sometimes non cancelable once sent off into production since these are made to order based on signed submittals with desired options.

Blake Lenamond
Dillard Associates
214.843.2218 cell

1504 Selene Dr, Carrollton TX 75006 (972.278.2000)
6100 Tri County Parkway, Schertz TX 78154 (210.824.4881)



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Proposal #17

Project: <u>Addison Airport Customs and</u> <u>Border Protection Facility</u> Date: <u>4/14/2020</u> Attn: <u>Jeff Mechlem, Mitchell McAnally</u> <u>Will Butler, Vlad Stevanovic</u>	Customer: <u>Town of Addison</u> <u>5350 Beltline Road</u> <u>Dallas, Texas 75254</u> Architect: <u>Page Southerland Page</u> <u>1100 Louisiana Street, Suite One</u> <u>Houston, Texas 77002</u>
--	--

This Proposal contains an itemized quotation for changes in the Contract Sum and/or Contract Time in response to proposed modifications to the Contract Documents based on RFI 89.

Item	Description	Total
1	Install and provide new WC/Lavatory combo unit per RFI 89.	\$ 2,620.00
	Sub-total	\$ 2,620.00
	General Conditions	\$ 131.00
	Sub-total	\$ 2,751.00
	Insurance	\$ 55.02
	Bond	\$ 55.02
	Sub-total	\$ 2,861.04
	Mark up	\$ 429.16
	Total	\$ 3,290.20

Does Proposed Change involve a change in Contract Sum?	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	[Increase / Decrease]	\$3,290.20
Does Proposed Change involve a change in Contract Time?	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	[Increase / Decrease]	Days 10

JC Commercial CONTRACTOR 1801 Lakepointe Drive, Suite #129 Lewisville, TX 75057	Page Southerland Page Architect 1100 Louisiana Street, Suite One Houston, Texas 77002
--	--

By: <u>Scott Arthur</u> Signature: <u>Scott Arthur</u> Date: <u>4/14/2020</u>	By: _____ Signature: _____ Date: _____
---	--



1005 N Henderson Street
Fort Worth, TX 76107
817.900.2030

Change Order

Date: 4-13-20
Job: Customs and Border Protection Facility
To: ESTIMATING

Plumbing bid per RFI 89 and specs. Including the following fixtures;

- Install and provide new WC/Lavatory combo unit
- Change fixture type from fixture schedule to RFI 89
- 6-8 week lead time from the factory (non-stock item)
- Pricing based on normal work hours M-F, no expedited schedule
- MEP ceiling coordination meeting will be required prior to overhead piping
- Fixtures to be per schedule or equal.

Base Bid Plumbing \$ 2,620.00

No tax included

Exclusions;

No HVAC condensate. No Gas. NO BIM or ENGINEERED DRAWINGS. No rock excavation. No soil retainage/void systems. No taps, meters or fees. No coring, saw cut or XRAY in post tension slab. No saw cut or pour back. No pour back of existing leave outs. No painting of any pipe. No spoil haul off. No low voltage wiring if required. No sub-meter unless noted above, No backflow unless noted above. No DEMO or REPLACEMENT of ceilings, walls, wall coverings, floors, flooring, cabinets or any other item covering or encasing any plumbing to tie into or demo.

Thank You,
Juan Tobias
M-22558

Texas State Board of Plumbing Examiners
929 E. 41st
Austin, Tx 78751
512-936-5200



Penal-Ware® 1415 Series
15" Lav-Toilet Comby with Lavatory Multi-Sided Bowl



1415-CT-2-BP-04-FV



1415-AL-2-BP-04-FV-PHRF

Fixture May Show Some Available Options



Please visit www.acorneng.com for most current specifications.

15" Lav-Toilet Comby with Lavatory Multi-Sided Bowl

Fixture is arranged to be installed on finished wall and serviced from an accessible pipe chase. Optional Wall Sleeve or Metal Template is recommended for all installations for required wall openings. Fixture is fabricated from 14 gage, type 304 stainless steel cabinet and toilet bowl and is seamless welded construction with a satin finish. The inside of the toilet bowl also has a satin finish. Cabinet interior is sound-deadened with fire-resistant material. There are no accessible voids or crevices where contraband can be concealed.

Lavatory Multi-Sided Bowl is 12-3/4" x 8-1/4" x 5" deep. Standard elbow waste outlet is 1-1/2" O.D. plain end.

Optional Valve may be an Air-Control pneumatically operated, pushbutton valve using atmospheric air. Pushbutton is vandal-resistant and requires less than 5 pounds to activate valve. Valve is direct acting, non-metering type and is optionally available as metering with non-hold open feature. Metering valve timing is adjustable from 5 to 60 seconds. Valve includes a 0.5 GPM flow control and can be remotely located up to 10 feet from the operating pushbutton. Valve and bubbler conform with lead free requirements for NSF61, Section 9 and CHSC 116875.

Toilet is blowout jet type with elongated bowl manufactured to ASME A112.19.3 and CSA B45.4 requirements and will flush with a minimum of 25 PSI flow pressure when used in conjunction with a minimum of 1.28 gpf. Trap has a minimum 3-1/2" seal and will pass a 2-1/8" ball. Toilet waste outlet is 2-3/8" diameter plain end extending 3" beyond the fixture for wall outlet or Gasketed Waste for floor outlet.

Regularly Furnished items include a fast drain, integral raised soap ribs, and mounting hardware.

GUIDE SPECIFICATION

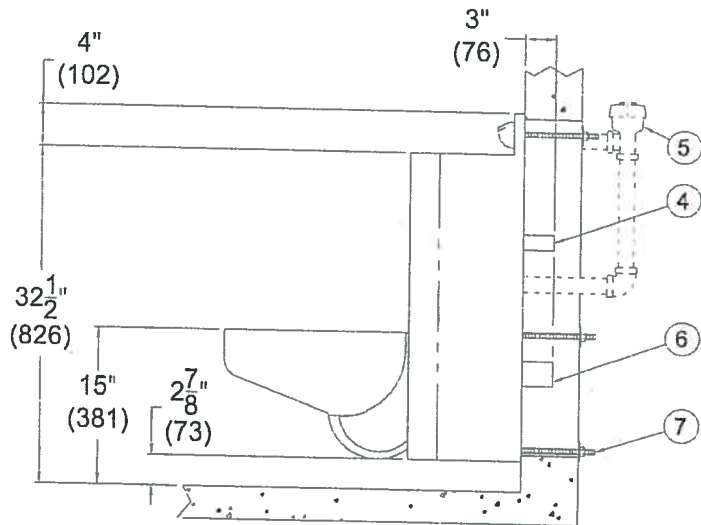
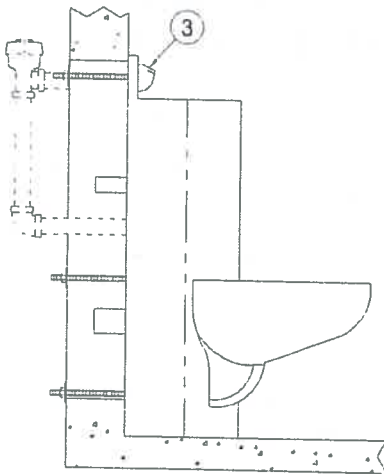
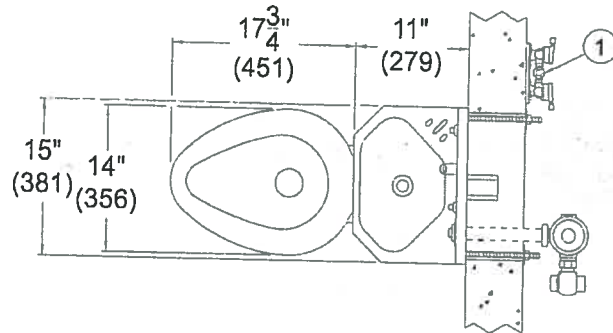
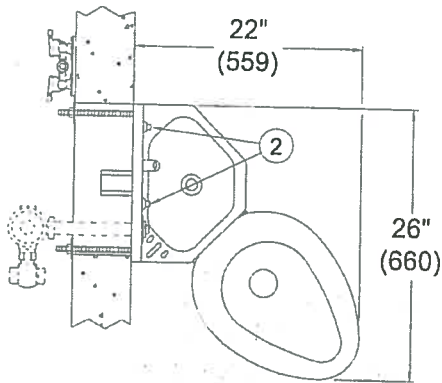
Provide and install Acorn Penal-Ware® 15" wide Lav-Toilet Comby (specify model number and options). Fixture shall be fabricated of type 304 stainless steel. Construction shall be seamless welded and exposed surfaces shall have a satin finish. Countertop shall have raised soap ribs. Provide Air-control pneumatically operated pushbutton valve. Valve and bubbler conform with lead free requirements for NSF61, Section 9 and CHSC 116875. Toilet shall be concealed blowout jet type with an elongated bowl, a self-draining flushing rim, and an integral contoured seat. Toilet shall meet ASME A112.19.3 and CSA B45.4 requirements and will flush with a minimum of 25 PSI flow pressure when used in conjunction with a minimum of 1.28 gpf. Toilet trap shall have a minimum 3-1/2" seal that shall pass a 2-1/8" diameter ball and be fully enclosed. Cabinet interior is sound-deadened with fire-resistant material. Fixture shall withstand loadings of 5,000 pounds without permanent damage. Fixture shall be furnished with necessary fasteners for proper installation.

Penal-Ware® 1415: 15" Lav-Toilet Comby with Lavatory Multi-Sided Bowl



NOTES:

- | | |
|---|-----------------------------------|
| 1. -04 Hot & Cold Air-Control Valve Shown | 5. Optional -FV Flush Valve Shown |
| 2. Lavy Valve Pushbuttons | 6. Toilet Waste Outlet |
| 3. Lavy -BP Penal Bubbler Shown | 7. Wall Mounting Hardware |
| 4. Lavy Waste Outlet | |



1415-AL-2-BP-04 SHOWN (-AR OPPOSITE)

1415-CT-1-BP-04

Penal-Ware® 1415: 15" Lav-Toilet Comby with Lavatory Multi-Sided Bowl



WALL THICKNESS AND TYPE (Must Specify)

Thickness: _____ Type: Concrete Block Steel

MODEL AND OPTIONS SELECTION:

BASE MODEL NUMBER

1415 15" Lav-Toilet Comby

TOILET ORIENTATION (Must Specify)

- AL Angled Left
- AR Angled Right
- CT Centered Toilet

FIXTURE MOUNTING AND WASTE (Must Specify)

- 1 Off-Floor, Wall Outlet
- 2 On-Floor, Wall Outlet
- 3 On-Floor, Floor Outlet

BUBBLER SELECTION (Must Specify)

- BC Bubbler, Code
- BP Bubbler, Penal
- BPH Bubbler, Penal Hemispherical
- LF Lav-Filler

VALVE SELECTION (Must Specify)

Air-Control (Pneumatic)

- 03 Single Temp, Non-Metering
- 03-M Single Temp, Metering
- 04 Hot & Cold, Non-Metering
- 04-M Hot & Cold, Metering
- 04-MH Hot & Cold, Metering Hot Side Only

Master-Trol® (Electronic)

- EVS1 Single Temp
- EVS2 Hot & Cold
- EVSP1 Single Temp, Piezo Button
- EVSP2 Hot & Cold, Piezo Buttons

Master-Trol® PLUS (Electronic)

- MTP1 Single Temp
- MTP2 Hot & Cold
- MTPP1 Single Temp, Piezo Button
- MTPP2 Hot & Cold, Piezo Buttons

-MTP VALVE OPTION

- PFB Power Failure Bypass (Provides drinking water in the event of power failure)

Time-Trol® (Electronic)

- MVC1 Single Temp
- MVC1-BAT Single Temp Battery Powered (Batteries Not Included)
- MVC2 Hot & Cold
- MVC2-BAT Hot & Cold Battery Powered (Batteries Not Included)

Programmable (Electronic) w/9VDC Plug-In Transformer

- PPZ1 Single Temp Programmable Piezo Button
- PPZ2 Hot & Cold Programmable Piezo Button

Valve By Others

- 9 Punched for Valve by Others

VALVE OPTIONS

- BRS Brass Body Valve
- CI Cycle Interrupt for Time-Trol® Valves
- MA2 Manifoldded, 2-Stack
- MA3 Manifoldded, 3-Stack (N/A with -PFB option)
- MA4 Manifoldded, 4-Stack (N/A with -PFB option)
- PBH Hemispherical Pushbutton
- PBP Pushrod Activated Pushbutton
- TF Transformer, 120VAC to 24VAC (-MVC option only)

FLUSH VALVE GPF's (Must Specify)

- 1.28 GPF (HET)
- 1.6 GPF (Not Available in California)
- 3.5 GPF (Not Available in California)

FLUSH VALVE OPTIONS (Must Specify)

- EVSVV Master-Trol® Electronic Flush Valve
- EVSPFV Master-Trol® Electronic Flush Valve w/ Piezo Button
- FV Flush Valve, Mechanical
- FVBO Flush Valve by Others
- FVH Flush Valve, Hydraulic
- MTPFV Master-Trol® PLUS Electronic Flush Valve
- MTPPFV Master-Trol® PLUS Electronic Flush Valve w/ Piezo Button
- MVCFV Time-Trol® Electronic Flush Valve

CABINET OPTIONS

- FMT Fixture Mounted Trim
- IS Integral Shelf
- PH Paper Holder, w/ -CT Centered Toilet L C R
- Paper Holder w/ -AL / -AR Angled Toilet
- Left Front Right Front
- TB Toothbrush Holder Left Right
- TG 12 Gage Cabinet
- TH Towel Hook Single Double Left Right
- VG1 Vent Grille 5-3/4" x 8-3/4"
- VG2 Vent Grille 8-3/4" x 13" (Bottom Only) (-1 Only)

LAVATORY WASTE OPTIONS

- CW Combined Waste
- LW1 Lavy Thru-Wall Extension With P-Trap
- LWE Lavy Waste Extension (3" Standard)
- Specify Length Beyond Fixture: _____
- OF Lavatory Overflow
- PT 1-1/2" Removable P-Trap

TOILET OPTIONS

- CO1 Cleanout w/ 2-3/8" OD O-Ring Connection to No-Hub 4" (Plain End Only, Not Applicable with -GW or -3 Floor Outlet)
- CO1-3 Cleanout w/ 2-3/8" OD O-Ring Connection to No-Hub 3" (Plain End Only, Not Applicable with GW or -3 Floor Outlet)
- COH Cleanout Hook Assembly
- FT Flood-Trol (Manual Reset)
- FTA Flood-Trol Auto-Reset
- FTE Flood-Trol Electronic
- FVT Flush Valve Thru Wall Connector
- FVO Flush Valve Opposite In Lieu Of Standard Location
- GW Gasketed Toilet Waste (Wall Outlet)
- HPS High Polished Seat
- HS Hinged Seat
- PC Pinned Cleanout Plug (For -CO1 Options above)
- SPS Ligature Resistant Skirt
- TSC Toilet Shipping Cover
- TWE Toilet Waste Extension (3" Standard)
- Specify Length Beyond Fixture: _____
- WO3B 2-3/8" P-Trap w/ 3" Plain End Waste Outlet

PRODUCT OPTIONS

- EG Enviro-Glaze Color Specify: _____
- Toilet Interior & Exterior
- EGE Enviro-Glaze Color Specify: _____
- Toilet Exterior Only
- LPFV Less Punching for Flush Valve
- MT Metal Template (Only 1 required per project)
- SW Wall Sleeve
- VAC AcornVac Systems

Please visit www.acorneng.com for most current specifications.

WARNING: Cancer and Reproductive Harm - www.P65Warnings.ca.gov

Important: Installation instructions and current rough-in are furnished with each fixture. Do not rough in without certified dimensions. Dimensions are subject to manufacturer's tolerance of plus or minus 1/4" and change without notice. Acorn assumes no responsibility for use of void or superseded data. © Copyright 2009 Acorn Engineering Company

Selection Summary	
Model No. & Option	_____
Quantity	_____

Approved for Manufacturing	
Company _____	Title _____
Signature _____	Date _____



TOWN OF ADDISON CHANGE ORDER FORM

Change Order Number: 1

Project Name: Addison Airport US Customs and Border Protection Facility

Project Number(s): 19-97

Contractor Name: JC Commercial, Inc.

Date: 2/28/2020

A. INTENT OF CHANGE ORDER

The purpose of this change order is to provide an amendment to the construction contract for JC Commercial to include the items mentioned below.

B. DESCRIPTION OF CHANGE

Items listed in section C will increase the contract amount to include unknown site conditions and requests from the US Customs and Border Protection Agency.

C. REASON FOR CHANGE

The following items will be included in the construction contract:

- Unknown existing 8" abandoned ductile iron water line was encountered during installation of the new water line. The existing water line was verified to be abandoned and was required to be removed to facilitate the improvements associated with the new water line. Removal of this abandoned water line is in addition to the removal of the existing water line that was active before construction.
- Existing NTTA irrigation master control valves for the Addison Airport Toll Tunnel were to be relocated and placed back into service. NTTA personnel indicated the existing master control valves and wiring were outdated and needed to be replaced with a new assembly.
- Power service provided by Oncor was revised during construction based on the need to provide power from an alternate existing power pole previously agreed upon. The new location for power services reduced the scope of work associated with the Power Utility Allowance pay item in the contract but increased the scope of work for the contractor to extend the power utility duct bank to the western side of the building.
- Additional steel reinforcement was included in the foundation to account for structural steel modifications associated with AS01
- Customs and Border Protection is requiring removable and lockable bollards to be placed around the generator. These items were originally not required in the CBP design standards.
- Original value engineering proposal removed the operable partition doors within the 2nd floor conference room. The pocket doors were included within ASI 01 to provide the flexible conference room space.

D. EFFECT OF CHANGE ON CONTRACT PRICE

This change order will have the following effect on the cost of this project:

Item Number/Description	Amount
Abandoned water line removal	\$2,210.21
NTTA Irrigation Master Control Valve Replacement	\$3,367.90
Oncor Utility Duct Bank Relocation	\$2,195.95
Additional Building Foundation Reinforcement	\$1,700.80
Removable Lockable Bollards	\$8,882.27
Folding Panel Partitions	\$3,903.03
Subtotal	\$22,260.16
Amount of this Change Order	\$22,260.16
Original Contract Amount	\$6,223,949.00
Overall Contract Amount (Including Previous Change Orders)	\$6,223,949.00
Revised Contract Amount	\$6,246,209.16
Total % Increase/Decrease (Including Previous Change Orders)	0.36%

E. EFFECT OF CHANGE ON CONTRACT TIME

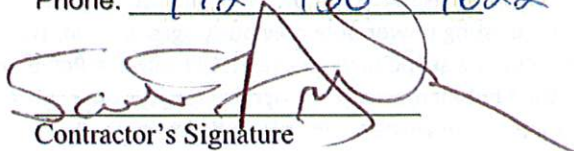
The work required under this change will not affect the contract time.

F. AGREEMENT

By the signatures below, duly authorized agent of the Town of Addison, and JC Commercial, Inc, do hereby agree to append this Change Order Number 1 to the original contract between themselves, dated September 18, 2019.

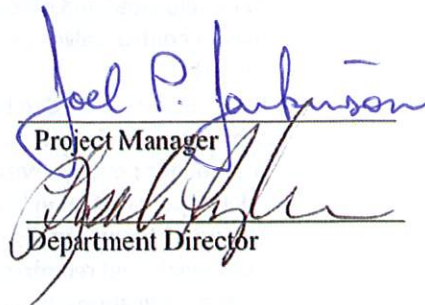
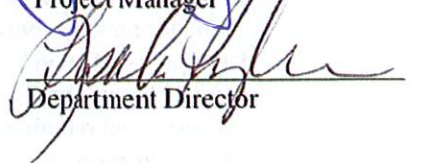
Lewisville TX 75057
 City State Zip

Phone: 972-436-4622


 Contractor's Signature


 Engineer's Signature




 Project Manager

 Department Director

 Fin. & Strat. Services Representative

 City Manager

Copies: Contractor (2)
Department
City Secretary

Council Agenda: Agenda Date _____
(if applicable) Item Number _____
Approved _____



Request for Information 047-R2

Project Title: Addison Airport Customs and Border Protection Facility
Submitted by Subcontractor: JC Commercial

Date Created: 1/29/2020

Answer Company	Author Company	Authored By
Page Southerland Page, Inc. 1100 Louisiana, Suite One Houston, Texas 77002	JC Commercial 1801 Lakepointe Dr. Suite 129 Lewisville, TX 75057	Tommie Matthews

Subject: Removal of 8in Water Line.
Category: 33 0000 - Utilities

Question: **Date Required:** 2/5/2020

This is revise per unit price sheet line item 6 - Spec No. SS-140-5.4b. Please see attached revised Proposal #5R2.

Suggestion:

Answer: **Date Answered:**



Request for Information 060

Project Title:
Addison Airport Customs and Border Protection Facility

Submitted by Subcontractor:
JC Commercial

Date Created: 1/15/2020

Answer Company	Author Company	Authored By
Page Southerland Page, Inc. 1100 Louisiana, Suite One Houston, Texas 77002	JC Commercial 1801 Lakepointe Dr. Suite 129 Lewisville, TX 75057	Tommie Matthews

Subject: NTTA Additional Requirements
Category: 33 1100 - Water Utility Distribution Systems

Question: See attached Proposal #1 R3
Date Required: 1/22/2020

Suggestion:

Answer:
Date Answered:



Proposal #1 - R3

Project: <u>Addison Airport Customs and Border Protection Facility</u>	Customer: <u>Town of Addison</u>
Date: <u>1/15/2020</u>	<u>5350 Bellline Road</u>
Attn: <u>Jeff Meclen, Mitchell McAnally</u>	<u>Dallas, Texas 75254</u>
<u>Will Butler, Vlad Stevanovic</u>	Architect: <u>Page Southerland Page</u>
	<u>1100 Louisiana Street, Suite One</u>
	<u>Houston, Texas 77002</u>

This Proposal contains an itemized quotation for changes in the Contract Sum and/or Contract Time in response to proposed modifications to the Contract Documents based on NTTA Additional Requirements

Item	Description	Total
1	(1) 1.5" RB Master Valve	\$ 2,681.88
	(1) 1.5" Calsense Flow Meter	
	(2) 12x17 Boxes	
	(1) PVC Sleeve Approximately 60 LF INSTALLED	
	MATERIALS FURNISHED TO NTTA, NO INSTALLATION EXCEPT PVC SLEEVE	
		Sub-total \$ 2,681.88
		General Conditions \$ 134.09
		Sub-total \$ 2,815.97
		Insurance \$ 56.32
		Bond \$ 56.32
		Sub-total \$ 2,928.61
		Mark up \$ 439.29
		Total \$ 3,367.90

Does Proposed Change involve a change in Contract Sum?	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	[Increase]	\$3,367.90
Does Proposed Change involve a change in Contract Time?	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	[Increase]	Days 14

JC Commercial
 CONTRACTOR
 1801 Lakepointe Drive, Suite #129
 Lewisville, TX 75057

Architect

By: Scott Arthur
 Signature: *Scott Arthur*
 Date: 1/15/2020

By:
 Signature:
 Date:



Request for Information 059

Project Title:
Addison Airport Customs and Border Protection Facility

Submitted by Subcontractor:
JC Commercial

Date Created: 1/22/2020

Answer Company	Author Company	Authored By
Page Southerland Page, Inc. 1100 Louisiana, Suite One Houston, Texas 77002	JC Commercial 1801 Lakepointe Dr. Suite 129 Lewisville, TX 75057	Tommie Matthews

Subject: Saw Cutting and Replacement Oncor Utility
Category: 03 3000 - Cast-inPlace Concrete

Question: See attached Proposal #8
Date Required: 1/29/2020

Suggestion:

Answer:
Date Answered:



Proposal #08

Project: Addison Airport Customs and
Border Protection Facility
Date: 1/22/2020
Attn: Jeff Meclm, Mitchell McAnally
Will Butler, Viad Stevanovic

Customer: Town of Addison
5350 Beltline Road
Dallas, Texas 75254
Architect: Page Southerland Page
1100 Louisiana Street, Suite One
Houston, Texas 77002

This Proposal contains an itemized quotation for changes in the Contract Sum and/or Contract Time in response to proposed modifications to the Contract Documents based on RFI 50

Item	Description	Total
1	Labor 18 hours	
2	Materials for replace Concrete, Rebar, 2x4, 2x6, Plywood, Ardex, Epoxy, Void Boxes and Retainer	
3	Equipment Track loader	
4	Removal Off Site	
Total		\$ 1,748.65
		Sub-total \$ 1,748.65
		General Conditions \$ 87.43
		Sub-total \$ 1,836.08
		Insurance \$ 36.72
		Bond \$ 36.72
		Sub-total \$ 1,909.52
		Mark up \$ 286.43
		Total \$ 2,195.95

Does Proposed Change involve a change in Contract Sum? No Yes [Increase / Decrease] \$2,195.95
Does Proposed Change involve a change in Contract Time? No Yes [Increase / Decrease] Days 10

JC Commercial

CONTRACTOR

1801 Lakepointe Drive, Suite #129
Lewisville, TX 75057

Architect

By: Scott Arthur
Signature: Scott Arthur
Date: 1/22/2020

By:
Signature:
Date:

Change in Work - Cost Analysis Form

Project Name: Addison Airport
 Contractor: Steconco
 Description of Change: Demo and placement of concrete

Project No.: 19-019
 Change No.: 3

Means Code	Page No.	DESCRIPTION	Quantity	Unit	Base Pay	Labor Burden	Benefits	Total Hourly Rate	Labor Total	Material Total	Equipment or Other	Subcontract
		Labor										
		Labor 1	18	HRS	\$ 22.50	8.12	4.64	35.26	\$634.68	-	-	-
		Supervision	0	HRS	\$ 1.00	9.24	12.01	72.25	\$0.00	-	-	-
		Material										
		Concrete	3	Yrds	\$ 135.00				-	\$405.00	-	-
		Rebar	0	Ton	\$ 1,304.40					\$0.00	-	-
		2x4	0	Per	\$ 9.00					\$0.00	-	-
		2x6	0	Per	\$ 12.00					\$0.00	-	-
		Plywood	0	Per	\$ 28.00					\$0.00	-	-
		Ardex	0	Per	\$ 65.00					\$0.00	-	-
		Epoxy	0	Per	\$ 65.00					\$0.00	-	-
		Void Boxes	0	LF	\$ 3.10					\$0.00	-	-
		Retainers	0	LF	\$ 2.60					\$0.00	-	-
		Delivery	0	Per	\$ 130.00					\$0.00	-	-
		Equipment										
		Jumping Jack Compactor	0	Day	\$ 125.00						\$0.00	
		Quickie Saw	0	Day	\$ 85.00						\$0.00	
		E 50 Mini Excavator	0	Month	\$ 2,600.00						\$0.00	
		Track Loader	1	Day	\$ 350.00						\$350.00	
		Concrete Breaker	0	Day	\$ 180.00						\$0.00	
		Auger	0	Day	\$ 180.00						\$0.00	
		Delivery	0	Per	\$ 130.00						\$0.00	
		Subcontractor										
		Removal	1	EA	\$ 200.00							\$200.00
		Formwork Rental	0	SF	\$ 1.25	Per Month	2.00					\$0.00
SUBTOTALS									\$634.68	\$405.00	\$350.00	\$200.00

Labor, Equipment, & Material Total	\$1,389.68
Subcontractor	\$200.00
Overhead and Profit	\$158.97
Taxes	\$0.00
TOTAL FOR THIS CHANGE	\$1748.65

Material All material is rounded up
 All material has a \$130.00 Delivery Fee in DFW

Equipment Equipment is rented by the day. Anything over 3 days goes to 1 week. Anything over 2 weeks goes to 4 weeks
 All equipment has a pick up and delivery charge of \$130.00. This includes small equipment.



Request for Information 071

Project Title:
Addison Airport Customs and Border Protection Facility

Submitted by Subcontractor:
JC Commercial

Date Created: 2/13/2020

Answer Company	Author Company	Authored By
Page Southerland Page, Inc. 1100 Louisiana, Suite One Houston, Texas 77002	JC Commercial 1801 Lakepointe Dr. Suite 129 Lewisville, TX 75057	Tommie Matthews

Subject: Proposal #13 Removable Lockable Bollards
Category: 05 5000 - Metal Fabrications

Question: Please see attached Proposal #13 Removable Lockable Bollards.
Date Required: 2/20/2020

Suggestion:

Answer:
Date Answered:

Change in Work - Cost Analysis Form

Project Name: Addison Airport
 Contractor: Steconco
 Description of Change: Add four removable bollards (concrete and steel included)

Project No.: 19-019
 Change No.: 1

Means Code	Page No	DESCRIPTION	Quantity	Unit	cost per ea.	Total Hourly Rate	Labor Total	Material Total	Equipment or Other	Subcontract
		Labor								
		Shop Labor	44	hrs		85.00	\$3,740.00			
		Field Concrete work and install (includes drilling and conc	4	Each	250.00	0.00	\$1,000.00	-	-	-
		Office hours	4	HRS		65.00	\$260.00	-	-	-
		Finishing	4		75.00		\$300.00			
		Material								
		Sch 80 pipe and misc parts	1	lot	900.00		-	\$900.00	-	-
		LOCKS	4	lot	25.00			\$100.00		
		Equipment								
		forklift	0	Day					\$0.00	
		scissor lift	0	Day					\$0.00	
		truck expense	0	day					\$0.00	
			0	Day					\$0.00	
			0	Day					\$0.00	
			0	Day					\$0.00	
		Delivery	1	Per					\$130.00	
		Subcontractor (Detailer)								\$0.00
			0.68	EA						\$0.00
			0	SF	2.00					\$0.00
		SUBTOTALS					\$5,300.00	\$1,000.00	\$130.00	\$0.00

Labor, Equipment, & Material Total	\$6,430.00
Subcontractor	\$0.00
Overhead and Profit	\$643.00
Taxes	\$0.00
	\$7,073.00

Material All material is rounded up
 All material has a \$130.00 Delivery Fee in DFW

Equipment Equipment is rented by the day. Anything over 3 days goes to 1 week. Anything over 2 weeks goes to 4 weeks.
 All equipment has a pick up and delivery charge of \$130.00. This includes small equipment.



Request for Information 058

Project Title: Addison Airport Customs and Border Protection Facility
Submitted by Subcontractor: JC Commercial

Date Created: 1/10/2020

Answer Company	Author Company	Authored By
Page Southerland Page, Inc. 1100 Louisiana, Suite One Houston, Texas 77002	JC Commercial 1801 Lakepointe Dr. Suite 129 Lewisville, TX 75057	Tommie Matthews

Subject: CO #7 Hufcor Pocket Door
Category: 10 2226 - Folding Panel Partitions

Question: Operable Partition were a VE item, no pocket doors were included in VE option, pocket doors did not show until ASI 01. Pocket door pending approval of proposal #7.
Date Required: 1/17/2020

Suggestion:

Answer:
Date Answered:

Tommie Matthews Jr

From: Tony Gavinito <TGavinito@hufcor.com>
Sent: Thursday, January 9, 2020 3:27 PM
To: Scott Arthur
Cc: 'Tommie Matthews Jr'; David Mauller; Justin Graham
Subject: RE: Hufcor Proposal _ Town of Addison - Customs and Border Protection Facility
Attachments: Hufcor Revised Shops _ Town of Addison - Custom and Border Facility.PDF; Hufcor Revised Proposal _ Town of Addison - Customs and Border Protection Facility.pdf

Scott,

We have downloaded the latest plans, and revised our proposal to INCLUDE a set of Pocket Doors for you (Total Add = \$3,108). This will be the Type 3 set, which allows the panels to seal to the back of the pocket. Please see attached revised shops as well.

I am in the process with checking with our GM about whether he received the contract or not; however, I doubt we've signed it as of today. Can we reissue another contract to reflect this amount? Or do you need me to send over a Change Order instead?

Best Regards,

Tony Gavinito
Business Development Manager
TGavinito@hufcor.com

HUFCOR, Inc.
454 W Mockingbird Lane
Dallas, TX 75247
Office: 972-986-7400 | Cell: 972-955-3290
hufcor.com



shaping your experience

Hufcor's Privacy Policy and Legal Notices click [here](#)

From: Justin Graham <jgraham@hufcor.com>
Sent: Monday, November 18, 2019 5:26 PM
To: Tony Gavinito <TGavinito@hufcor.com>; Scott Arthur <scott@jccom.com>
Cc: 'Tommie Matthews Jr' <tommiem@jccom.com>; David Mauller <dmauller@hufcor.com>
Subject: RE: Hufcor Proposal _ Town of Addison - Customs and Border Protection Facility

Hello Scott,

Please let me know if you have any submittal or installation questions.



TOWN OF ADDISON - CUSTOMS AND BORDER PROTECTION FACILITY ADDISON, TX 75247

HUF COR DISTRIBUTOR:

HUF COR TEXAS DPW
454 W MOCKINGBIRD LANE
DALLAS, TX 75247
PHONE: 972-955-3290
CONTACT: TONY GAVINILTO
EMAIL: tgavinlto@hufcor.com

REVISED BY

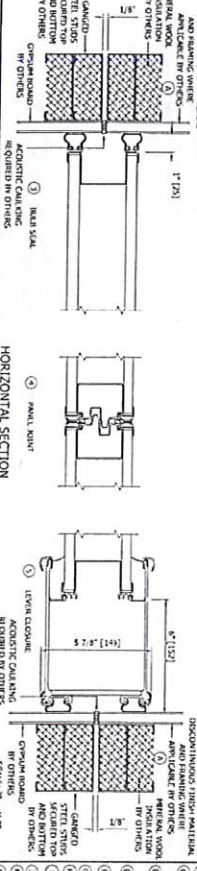
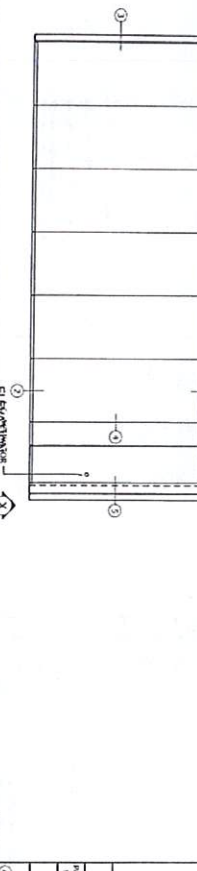
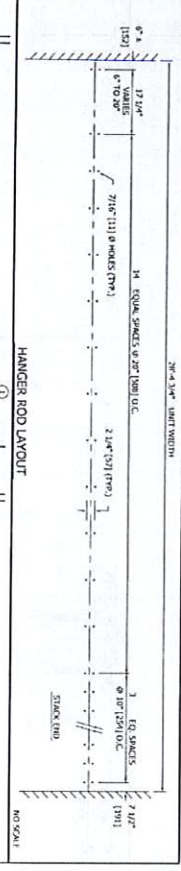
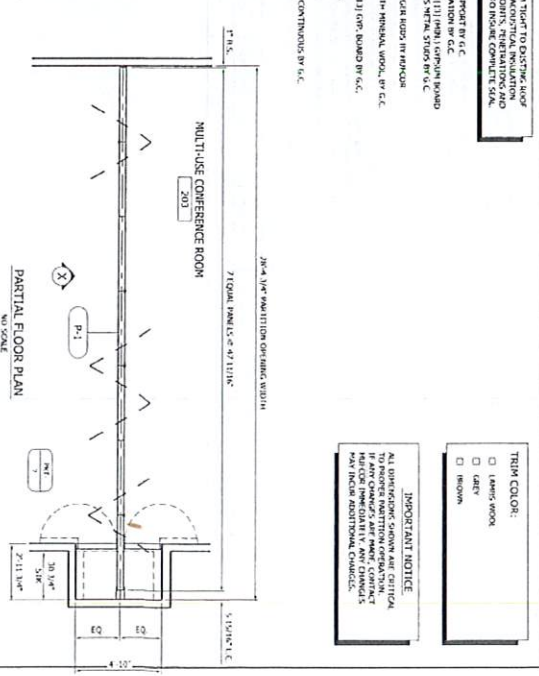
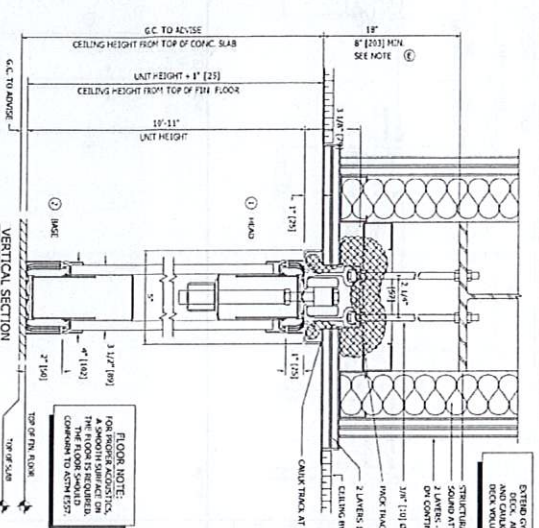
TOWN OF ADDISON - CUSTOMS AND
BORDER PROTECTION FACILITY
ADDISON, TX 75247

PROJECT				
CONTRACTOR				
DISTRIBUTOR	HUF COR TEXAS DPW			
P.O. NO.	11119			
HUF COR	HUF COR INC. 454 W. MOCKINGBIRD LANE DALLAS, TX 75247 USA			
DATE: 01/09/20	BY: TG	SHEET: 1	OF: 1	HUF COR



642 OPERABLE PARTITIONS

PRODUCT SPECIFICATIONS:
 SERIES: 642 STC: M1 WEIGHT: 123 LB./SQ. FT.
 FINISH: TOP AND BOTTOM, CENTER STAYS, MANUALLY OPERATED, HINGED BY PANEL.
 STAYS: TOP AND BOTTOM, BOTH MANUALLY OPERATED MECH. STAYS AND CONTINUOUS CONTACT STAYS.
 TRIM: 1/2" HOLLOW METAL, 1/2" HOLLOW METAL, HORIZONTAL TRIM, VERTICAL TRIM - FLOOR MOUNTED.
 HINGES: STAINLESS STEEL, 316 L.
 PANELS: SPACED 8" HD. BALL BEAR. JAMB.
 CAMBODS: 1/2" HOLLOW METAL, ACTIVATED FROM EITHER SIDE WITH 1/2" HOLLOW METAL, 3/16" DIA. BALL BEAR. BALL BEARING WHEELS.
 TRACKS: TYPE 40 SLAM-ARRESTED EXTRUDED ALUMINUM.
 SELECTED OPTIONS:
 ACQUISITION: FOR PARTS, SEE GENERAL NOTES TO ACQUISITION SCHEDULE.
 STANDARD COLOR FOR 1/2" HOLLOW METAL IS 9004.



GENERAL NOTES:

1. ALL DIMENSIONS SHOWN ARE CENTRAL UNLESS OTHERWISE SPECIFIED. HUF COR DIMENSIONS ARE IN INCHES UNLESS OTHERWISE SPECIFIED.
2. HUF COR DIMENSIONS ARE IN INCHES UNLESS OTHERWISE SPECIFIED.
3. TOP PANEL CONSTRUCTION AND FINISH TO BE AS INDICATED.
4. HUF COR DIMENSIONS ARE IN INCHES UNLESS OTHERWISE SPECIFIED.
5. HUF COR DIMENSIONS ARE IN INCHES UNLESS OTHERWISE SPECIFIED.
6. HUF COR DIMENSIONS ARE IN INCHES UNLESS OTHERWISE SPECIFIED.
7. HUF COR DIMENSIONS ARE IN INCHES UNLESS OTHERWISE SPECIFIED.

PART NAME	SPACING	UNIT HEIGHT	COLOR	ROOM NO.
P-1	28'-4 1/2"	18'-11"	9004	201

REVISIONS:

NO.	DATE	DESCRIPTION	BY	CHK
1	10/10/17	ISSUED FOR CONSTRUCTION	J. HOFF	J. HOFF

TOWN OF ADDISON - CUSTOMS AND BORDER PROTECTION FACILITY
 ADDISON, TX 75247

HUF COR
 3101 HENRY ST. SUITE 100
 ADDISON, TX 75247
 972.482.2222

Council Meeting

10.

Meeting Date: 08/11/2020

Department: Infrastructure- Development Services

Pillars: Excellence in Transportation Systems

AGENDA CAPTION:

Present, Discuss, and Consider Action on a **Resolution to Approve a Ground Lease Agreement Between the Town of Addison and Mercury Air Center - Addison, Inc, (Doing Business As Atlantic Aviation) in the Proximity of 4400 Glenn Curtiss Drive and Authorize the City Manager to Execute the Agreement.**

BACKGROUND:

Mercury Air Center – Addison, Inc., doing business as Atlantic Aviation, is requesting that the Town of Addison execute a new, 40 year lease between itself and the Town of Addison. Atlantic Aviation has operated as a fixed base operator at Addison Airport for 13 years and currently has a license agreement to sell fuel to the aviation public. The proposed new ground lease consolidates their current leases which are all set to expire within the next 2 ¼ years, the most recent expiring in September of this year. The consolidated ground lease will total approximately 11.49 acres.

The following properties are included in the proposed lease:

1. 4451 Glenn Curtiss
2. 4453 Glenn Curtiss
3. 4480 Glenn Curtiss
4. 4400 Glenn Curtiss
5. 4540 Glenn Curtiss
6. 4532 Glenn Curtiss
7. 4530 Glenn Curtiss

The proposed ground lease includes the following:

1. A new ground lease with an initial term of 7 years to encompass multiple existing improvements; and
2. Atlantic Aviation is to make a minimum investment of \$14 million over the initial 13 years to obtain a full 40 year term:
 - Extended Term #1: 7 Year Base Term (2027) plus 13 years (until 2040) upon completion of the demolition of the existing hangar at 4451 Glenn Curtiss and construction of a larger \$6 million dollar jet hangar to be completed 4 years following commencement date (2024)
 - Extended Term #2: Extended Term #1 plus 15 years (until 2055) upon completion

of \$5.5 million renovation of the FBO terminal and new apron by end of 2027

- Extended Term #3: 5 years (until 2060) upon completion of a \$2.5 million renovation of the hangar at 4453 Glenn Curtiss and construction of parking improvements at 4532 Glenn Curtiss and 4530 Glenn Curtiss by end of 2033.

3. Atlantic Aviation pays the Town of Addison for the existing improvements over the term of the lease.

Terms and conditions of the proposed ground lease include:

1. The annual ground rental is \$1.23 per square foot, or \$615,620 annually;
2. The Base Rent is subject to a biennial adjustment (every two years) based upon the percentage change in the Consumers' Price Index; and
3. The proposed Ground Lease is subject to the early termination of the leases for 4451 Glenn Curtiss, 4453 Glenn Curtiss, 4480 Glenn Curtiss, and 4400 Glenn Curtiss. A Memorandum of Lease will be recorded for each lease, showing their early termination and the proposed ground lease taking effect in its place.

The total estimated revenue to the airport is summarized below:

Description	Estimated Revenue
Total Annual Ground Rent Revenue	\$615,620
Estimated Revenue Over Term	\$32,404,420

The total estimated value to the airport is summarized below:

Description	Required Investment	Estimated Value
7 Year Base Term subject to 3 Term Extensions as outlined below:		
• Extension Term #1 (13 year extension spend in years 1-4)	\$6,000,000	
• Extension Term #2 (15 year extension spend in years 1-7)	\$5,500,000	
• Extension Term #3 (5 year extension spend in years 1-13)	\$2,500,000	

Total Capital Investment Spend		\$14,000,000
Estimated Net Present Value @ 9% Discount Rate		\$7,512,687
Total Estimated Leasehold Value (Today's Dollar)		\$21,512,687

The proposed lease supports the Town's strategic objectives for the airport by enhancing the overall value of the airport with new development, increased revenue over the lease term and the recognition of the existing improvements' reversion value. The proposed use is consistent with the Airport's 2016 Airport Master Plan.

RECOMMENDATION:

Administration recommends approval.

Attachments

- Resolution - Atlantic Aviation Ground Lease
 - Presentation - Atlantic Aviation Ground Lease
 - Recommendation Memo
 - Map - Location of Atlantic Aviation
-

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING A GROUND LEASE AGREEMENT BETWEEN THE TOWN OF ADDISON AND MERCURY AIR CENTER – ADDISON, INC. IN PROXIMITY OF 4400 GLENN CURTISS DRIVE AS FURTHER DESCRIBED BELOW, AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Mercury Air Center – Addison, Inc. (Mercury Air Center) is currently leasing property Addison Airport property generally located at 4400, 4451, 4480, 4540, 4530 and 4532 Glenn Curtiss Drive, all of which are set to expire in 2020 or 2021; and

WHEREAS, Mercury Air Center and the Town agree to early terminate or allow each of the Mercury’s leases with the Town to expire, whichever occurs first, so there effectively is no lapse of time between the termination or expiration of each Mercury’s lease and the commencement of the new Ground Lease Agreement, attached hereto as **Exhibit A** and incorporated herein, for approximately 11.49 acres located generally in the same area as the existing leases.

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

SECTION 1. The Ground Lease between The Town of Addison and Mercury Air Center – Addison, Inc for public fixed-base operations and other commercial aviation use on property located in proximity of 4400 Glenn Curtiss Drive, a copy of which is attached to this Resolution as **Exhibit A**, is hereby approved and the City Manager is authorized to execute the Ground Lease Agreement and any other Agreement connected therewith, including the early termination agreements, as required by the Ground Lease.

SECTION 2. This Resolution shall take effect from and after its date of adoption.

DULY RESOLVED AND ADOPTED by the City Council of the Town of Addison, Texas, on this the **11th** day of **AUGUST 2020**.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

APPROVED AS TO FORM:

Irma Parker, City Secretary

Brenda N. McDonald, City Attorney

EXHIBIT A

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

GROUND LEASE AGREEMENT

This Ground Lease Agreement (“Lease” or “Agreement”) is made and entered into as of _____, 202_ (the “Effective Date”), by and among the **Town of Addison, Texas**, a Texas home-rule municipality (hereinafter sometimes referred to as “Landlord” or the “City”), and **Mercury Air Center – Addison, Inc.**, a Texas corporation (hereinafter referred to as “Tenant”) (Landlord and Tenant are sometimes referred to herein together as the “Parties”).

WITNESSETH:

WHEREAS, the City is the record title owner of the Addison Airport, a description of which is set forth in **Exhibit 1** attached hereto and incorporated herein (the “Airport”); and

WHEREAS, the Airport is operated and managed for and on behalf of the City by Shimmick Construction Company, Inc. d/b/a Transportation Operations and Maintenance Services, a Colorado corporation. and SAMI Management, Inc., a Texas corporation (collectively the “Airport Manager”), pursuant to their respective management agreements each effective October 1, 2010 by and between the City and Airport Manager, and such Airport management may be changed by the City from time to time; and

WHEREAS, by way of various assignments, Tenant is currently leasing from Landlord that certain **Property #0430**, which is generally located at 4400 Glenn Curtiss Drive (ALP #A7) at Addison Airport pursuant to the terms and conditions of that certain Office-Hangar Lease entered into and made effective April 1, 1990, in which Beech Holdings, Inc. is named as the original tenant; and said Office Hangar Lease is now due to expire September 30, 2021; and

WHEREAS, by way of various assignments, Tenant is currently leasing from Landlord that certain **Property #0440**, which is generally located at 4451 (ALP #A8) and 4453 (ALP #A9) Glenn Curtiss Drive at Addison Airport pursuant to the terms and conditions of that certain ground lease first entered into and made effective September 30, 1981, in which Beech Holdings, Inc. is named as the original tenant; and said ground lease is now due to expire June 30, 2022; and

WHEREAS, by way of various assignments, Tenant is currently leasing from Landlord that certain **Property #0400**, which is generally located at 4480 Glenn Curtiss Drive (ALP #T7) at Addison Airport pursuant to the terms and conditions of that certain ground lease first entered into and made effective September 4, 1980, in which Three Rivers Gypsum, Inc. is named as the original tenant; and said ground lease is now due to expire June 29, 2021; and

WHEREAS, collectively the above referenced lease agreements for Property #0430, Property #0440 and Property #0400 are hereinafter referred to as the "Mercury Original Leases"; and

WHEREAS, Tenant is currently leasing from Landlord that certain **Property #0390**, which is generally located at 4540 Glenn Curtiss Drive (ALP #T5) at Addison Airport pursuant to the terms and conditions of that certain Conventional Hangar Lease for Commercial Aviation Use first entered into and made effective August 30, 2019 and is now due to expire September 30, 2020; and

WHEREAS, Tenant is currently leasing from Landlord that certain **Property #0420**, which is generally located at 4530 Glenn Curtiss Drive (ALP #T3) at Addison Airport pursuant to the terms and conditions of that certain Conventional Hangar Lease for Commercial Aviation Use first entered into and made effective August 5, 2019 and is due to expire February 28, 2021; and

WHEREAS, Tenant is currently leasing from Landlord that certain **Property #0410 Hangar Unit A, B & C**, which are generally located at 4532 Glenn Curtiss Drive (ALP #T1) at Addison Airport pursuant to the terms and conditions of that certain Conventional Hangar Lease for Commercial Aviation Use first entered into and made effective April 8, 2019 and, as amended and modified, is now due to expire February 28, 2021; and

WHEREAS, collectively the above referenced lease agreements for Property #0390, Property #0420 and Property #0410 are hereinafter referred to as the "Mercury's City Leases"; and

WHEREAS, by way of those certain:

- (i) Office-Hangar Lease Early Termination Agreement (4400 Glenn Curtiss Drive; ALP#A7); and
- (ii) Ground Lease Early Termination Agreement (4451 [ALP #A8] and 4453 [ALP #A9] Glenn Curtiss Drive); and
- (iii) Ground Lease Early Termination Agreement (4480 Glenn Curtiss Drive; ALP #T7)

each to be entered into and made effective by Landlord and Tenant simultaneously with this Ground Lease Agreement (so there effectively will be no lapse of time between the termination of the Mercury Original Leases and the commencement of this Ground Lease Agreement). Landlord and Tenant hereby mutually agree to terminate each of the Mercury Original Leases pursuant to the terms and condition set forth in each respective agreement; and

WHEREAS, Landlord and Tenant agree to early terminate or allow each of the Mercury's City Leases to expire, whichever occurs first, pursuant to the terms and conditions provided for in each respective lease agreement and in such a manner so there effectively is no lapse of time between the termination or expiration of each Mercury's City Lease and the commencement of this Ground Lease Agreement; and

WHEREAS, Tenant desires to lease from the City, and the City desires to lease to Tenant, a portion of the Airport generally described and hereinafter referred to as approximately 11.49 acres

(approximately 500,504 gross square feet) parcel or parcels of improved and unimproved land located at the street address commonly known as:

- (i) 4400 Glenn Curtiss (Property #0430 ALP #A7)
- (ii) 4451 Glenn Curtiss (Property #0440 ALP #A8)
- (iii) 4453 Glenn Curtiss (Property #0440 ALP #A9)
- (iv) 4480 Glenn Curtiss (Property #0400 ALP #T7)
- (v) 4530 Glenn Curtiss (Property #0420 ALP #T3)
- (vi) 4532 Glenn Curtiss (Property #0410 ALP #T1)
- (vii) 4540 Glenn Curtiss (Property #0390 ALP#T5)

within the Airport and as more particularly described in Exhibit 2- Legal Description of Demised Premises and as illustrated in Exhibit 3 – As-built Survey of Demised Premises (collectively the "Property Survey") attached hereto and incorporated herein, together with the non-exclusive right to use the Common Facilities as defined in Section 17 hereinbelow (referred to herein as the "Demised Premises") according to the terms and conditions set forth in this Agreement. The Parties mutually agree and accept the Property Survey for the purposes set forth in this Agreement; and

WHEREAS, the Parties hereby agree and mutually accept the signed and stamped Property Survey prepared by Sparr Surveys dated March 19, 2020 (Job #19000Y) to fairly describe the Demised Premises for the purpose of this Agreement.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

Section 1. Demise of the Premises: In consideration of and subject to the terms, covenants and conditions set forth in this Agreement, Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the Demised Premises. This Lease is given and entered into subject to (i) all federal, state, and local laws, statutes, constitutional provisions, charters, ordinances, codes, rules, regulations, directives, policies, permits, standards, and orders (including, without limitation, court orders) of any governmental authority, entity, or agency (including, without limitation, the Town of Addison, Texas, the State of Texas, the Federal Aviation Administration, and the Texas Department of Transportation) whether in existence or hereafter enacted, adopted or imposed, and including, without limitation, any and all grant agreements or grant assurances, the Rules and Regulations, and the Minimum Standards, now existing or as hereafter agreed to, adopted or imposed, (ii) all restrictive covenants affecting the Demised Premises, (iii) all restrictions, easements, and other encumbrances on or matters affecting the Demised Premises, whether of record or not or which could be revealed by a survey of the Demised Premises, and (iv) all of the terms, conditions, and provisions of this Lease. In furtherance of the foregoing, Landlord represents to Tenant that, to the best of Landlord's actual knowledge, there are no mortgages, deeds of trust or monetary liens affecting the Demised Premises which are not filed of record.

Section 2. Term:

A. Subject to the termination and all other provisions of this Lease, the term hereof (the "Base Term") shall commence on the first day of the calendar month following the Effective Date (the "Commencement Date"), and shall end the last day of the eighty fourth (84th) full calendar month following the Commencement Date (and including the month of the Commencement Date) (the "Expiration Date"). The period of time beginning upon the Effective Date given above and ending upon the Commencement Date is herein referred to as the "Preliminary Period". Any entry upon and/or use of occupancy of the Demised Premises by Tenant during the Preliminary Period shall be subject to all of the terms and conditions of this Lease.

1. Inspection Period. Intentionally omitted.

2. Early Termination. Intentionally omitted.

B. Tenant may be eligible to qualify for and be granted additional lease term as provided for in the following manner:

1. Extended Term #1: Provided Tenant is (i) then not in default of this Lease, (ii) completes the demolition of the building improvements located at 4451 Glenn Curtiss, (iii) constructs a new jet hangar generally in its place (as more fully described in Section 6 below) with a total estimated Cost of Construction (as defined in below) of no less than Six Million Dollars (\$6,000,000US) and (iv) said construction is Substantially Complete (as defined in Section 6 below) no later than forty-eight (48) months following the Commencement Date (items ii, iii and iv of this sub-paragraph 1 are hereinafter collectively referred to as "Tenant's Capital Improvements Phase-1"), the Term hereof shall be extended an additional thirteen-years beyond the Base Term (or by adding 156 full calendar months to the end of the Base Term), hereinafter referred to as "Extended Term #1". Should Tenant construct the Tenant's Capital Improvements Phase-1 but the actual Cost of Construction is less than \$6,000,000, Tenant shall (at Tenant's sole option) pay to Landlord the difference between the actual Cost of Construction and \$6,000,000 to satisfy its obligation under (iii) herein.

2. Extended Term #2: Provided Tenant is (i) then not in default of this Lease, (ii) has already qualified and been granted Extended Term #1 above, (iii) completes the planned renovation and refurbishment of the FBO terminal located at 4400 Glenn Curtiss together with approximately 203,000 square feet of aircraft apron repair and replacement (as more fully described in Section 6 below) with a total Cost of Construction (as defined in below) of no less than Five Million Five Hundred Thousand Dollars (\$5,500,000 US), and (iv) said construction is Substantially Complete (as defined in Section 6 below) no later than seven (7) years following the Commencement Date (items iii and iv of this sub-paragraph 2 are hereinafter collectively referred to as "Tenant's Capital Improvements Phase-2"), the Term hereof shall be extended an additional fifteen-years beyond the Extended Term #1 (or by adding 180 full calendar months to the end of Extended Term #1), hereinafter referred to as "Extended Term #2." Should Tenant construct the Tenant's Capital Improvements Phase-2 but the actual Cost of Construction is less than \$5,500,000, Tenant shall (at Tenant's sole option) pay to Landlord the difference between the actual Cost of Construction and \$5,500,000 to satisfy its obligation under (iii) herein.

Notwithstanding Section 2.B.2 above, should Lessee, in its sole discretion, elect to exercise Extended Term #2 on or about the same time as Extended Term #1 and Tenant Substantially Completes both Tenant's Capital Improvements Phase-1 and Tenant's Capital Improvements Phase-2 as set forth in the Notice to Proceed with Construction required in Section 6.F below, the Term hereof shall be extended an additional twenty-eight years beyond the Base Term (or by adding 336 full calendar months to the end of the Base Term), hereinafter referred to as "Extended Term #2." Should Tenant construct both the Tenant's Capital Improvements Phase-1 and Phase-2 but the actual Cost of Construction of Tenant's Capital Improvements for Phase-1 and Phase-2 is less than \$11,500,000 Tenant may pay to Landlord the difference between the actual Cost of Construction and \$11,500,000 to satisfy its collective obligations under Section 2.B.1 (iii) and Section 2.B.2 (iii) above.

3. **Extended Term #3:** Provided Tenant is (i) then not in default of this Lease, (ii) has already qualified and been granted Extended Term #2, (iii) completes the renovation of what is commonly referred to as "Hangar 3" (ALP # A9) located at 4453 Glenn Curtiss, and (iv) demolishes the existing building improvements located at 4532 and 4530 Glenn Curtiss and, in their place, (v) construct new off-street vehicle parking to support Tenant's ongoing FBO operations (with each more fully described in Section 6 below), (vi) with a combined total Cost of Construction of no less than Two Million Five Hundred Thousand Dollars (\$2,500,000 US), and (vii) said construction is Substantially Complete (as defined in Section 6 below) no later than thirteen (13) years following the Commencement Date (items iii, iv, v, vi and vii of this sub-paragraph 3 are hereinafter collectively referred to as "Tenant's Capital Improvements Phase-3"), the Term hereof shall be extended an additional five years beyond the Extended Term #2 (or by adding 60 full calendar months to the end of Extended Term #2), hereinafter referred to as "Extended Term #3." Should Tenant construct the Tenant's Capital Improvements Phase-3 but the actual Cost of Construction is less than \$2,500,000, Tenant shall (at Tenant's sole option) may pay to Landlord the difference between the actual Cost of Construction and \$2,500,000 to satisfy its obligation under (iii) herein.

4. **Tenant's Capital Improvements:** the term "Tenant's Capital Improvements" shall collectively mean all, or any portion, of that described as Tenant's Capital Improvements Phase-1, Tenant's Capital Improvements Phase-2 and/or Tenant's Capital Improvements Phase-3 (each being more fully described in "Exhibit 4.B" attached hereto and incorporated herein by reference) constructed by Tenant or caused to be constructed by Tenant on to the Demised Premises.

5. **Cost of Construction:** the term "Cost of Construction" shall mean the cost or dollar amount expended in the design, permitting and construction of the facilities, including construction management. Tenant must exceed as stipulated for Tenant's Capital Improvements Phase-1, Tenant's Capital Improvements Phase-2 and Tenant's Capital Improvements Phase-3 above as a condition precedent for Tenant to be entitled to the respective Extended Term.

C. Notwithstanding the foregoing, it is the intent of the Parties to this Agreement not to allow the Term to exceed the maximum statutory limit of forty (40) consecutive full-calendar years from the Commencement Date.

D. The Parties hereby agree to execute a recordable document to be substantially in the form of the "Memorandum of Lease" attached hereto as Exhibit 5 affirming, among other things if any, the Term Expiration Date, as may be amended from time to time, which may be requested in writing by either party.

Section 3. Rental; Security Deposit

A. Subject to adjustment as hereinbelow provided, Tenant agrees to and shall pay to Landlord, without notice, demand, offset or deduction, rental each month over the Term for the Demised Premises as set forth below:

1. **Base Rent:** Tenant agrees to and shall pay Landlord annual rental for the Demised Premises in an amount calculated to be the product of \$1.23 times the gross square feet of the Demised Premises as determined by the Property Survey (e.g. $\$1.23 \times 500,504$ gross square feet¹ = \$615,620.41), which amount shall be paid by Tenant in twelve equal monthly installments in advance on or before the first day of each calendar month (the "Base Rent"), which shall be adjusted as set forth herein). The first monthly payment or installment of Base Rent in the amount of Fifty-One Thousand Three Hundred One Dollars and 70/100 (\$51,301.70) is due and payable on or before the Commencement Date. Thereafter, each installment of the Base Rent, subject to adjustment as set forth below, shall be due and payable on the first day of each calendar month during the Term hereof. All Rent is due on the first of each month and is delinquent after the tenth (10th) day of each month and subject to the provisions of Section 39.

2. In the event the Commencement Date is a date other than the first day of a calendar month, the monthly Base Rent for any partial month at the beginning of the Term shall equal the product of the Base Rent multiplied by a fraction, the numerator of which is the number of days in the partial month (beginning with the Commencement Date and ending with the last day of the partial month) and the denominator of which is the number of days in such full calendar month. Payment of Base Rent for any fractional calendar month at the end of the Term shall be similarly prorated.

3. For purposes of this Lease, the term "Rent" means Base Rent, additional rent, and all other sums that Tenant may owe to Landlord or otherwise be required to pay under this Lease. Landlord shall have the same rights and remedies for nonpayment of any Rent as for non-payment of Base Rent.

B. Security Deposit: No Security Deposit required.

Section 4. Adjustment of Rental:

A. Commencing on the second anniversary of the Commencement Date and on every second anniversary thereafter (hereinafter referred to as the "Adjustment Date"), the monthly rental due under Section 3.A.1. (Base Rent) shall be adjusted as follows:

¹ Rounded to the nearest whole number.

1. Annual Rent (including Base Rent) shall be adjusted to reflect changes in the Consumers' Price Index - All Items for Dallas, Texas Metropolitan Area (hereinafter referred to as the "Consumer Price Index"), as quoted in the publication *Consumer Price Index for All Urban Consumers (CPI-U)* for the Dallas-Fort Worth Consolidated Metropolitan Statistical Area which is issued by the U.S. Department of Labor, Bureau of Labor Statistics. The basic index ("Basic Index") is the Consumer Price Index existing as of the Commencement Date. The current index ("Current Index") is the Consumer Price Index on the first day of the calendar month preceding the then applicable Adjustment Date.

2. Beginning with the first full month following the then applicable Adjustment Date, the annual Rent (including the Base Rent) shall be adjusted so that it equals the product of the annual Rent (including the Base Rent) multiplied by a fraction, the numerator of which is the Current Index and the denominator of which is the Basic Index (the "Adjusted Rental"), but in no event shall such annual Rent (including the Base Rent) ever be decreased below the Base Rent set forth in Section 3.A.1.

3. In the event that the Consumer Price Index is unavailable for whatever reason for the computations set forth hereinabove, another index approximating the Consumer Price Index as closely as feasible (as reasonably determined by Landlord) shall be substituted therefor.

Section 5. Use of Demised Premises: During the Term, the Demised Premises shall be used and occupied by Tenant as set forth hereinbelow:

A. Permitted Uses: The Demised Premises shall be used and occupied by Tenant as set forth below and not for any other purpose without Landlord's prior written consent:

1. Sale of aircraft and aircraft parts;
2. Aircraft maintenance and repair, aircraft storage;
3. Aircraft training, aircraft management and charter;
4. Aircraft rentals;
5. Fixed Base Operations ("FBO"); being the sale of aircraft goods and services to the public, including without limitation providing for the storage of transient aircraft in aircraft hangars and the adjacent ramp area, and the dispensing of aviation fuel in accordance with and subject to the ordinances and regulations issued by the Town of Addison from time to time and/or the Airport Governing Documents;
6. Constructing, owning, and operating hangar facilities, public terminal, and restaurant(s), used directly in support of and in connection with the FBO services;
7. Office or administrative space used strictly in support of aeronautical operations or services, such as corporate flight operations offices and/or corporate aircraft management and charter services;

8. The storage of corporate aircraft owned, leased, or exclusively controlled (i.e. the right to fly or possession of the power to directly or indirectly sell or otherwise dispose of said aircraft) by Tenant;
9. The storage and fueling of corporate aircraft owned, leased or exclusively controlled (i.e. the right to fly or possession of the power to directly or indirectly sell or otherwise dispose of said aircraft) by any sub-tenant or licensee under separate written agreement with Tenant;
10. Incidental support and services of various types in connection with aircraft stored or based at the Demised Premises and such aircraft's users, including general aircraft maintenance and repair as well as "auto spa" type services such as automobile detailing and storage;
11. Ground transportation for rent or hire (including taxi and limousine service);
12. Retail services including food sales, barber and valet services, alcoholic beverage sales, sales of pilot supplies, newsstands and gifts;
13. Hosting special events in support of Tenant, subtenants, licensees, their clientele, or charitable organizations subject to the Rules and Regulations, which may be amended from time to time pursuant to Section 18 below, and those ordinances, rules, standards and regulations of the Town of Addison as may be adopted from time to time governing same;
14. Private parking garages, subject to prior written approval of Landlord as part of the design plan approval, for automobiles used by Tenant, subtenants, licensees, their invitees, and guests;
15. Other uses as authorized in advance and in writing by Landlord.

B. Prohibited or Restricted Use of Demised Premises:

1. The Demised Premises shall not, under any circumstance be used for any activity that (i) constitutes a violation of any federal, state, or local laws, ordinances, orders, directives, charters, rules, regulations, standards or policies); (ii) in Landlord's reasonable opinion creates or would create a nuisance or waste, or unreasonably disturb, annoy or interfere with other tenants or users of the Airport; (iii) increases insurance costs for Landlord; or (iv) would result in the Landlord being in violation of its grant assurances obligations to the federal government.
2. Tenant acknowledges that Landlord is bound by, and this Lease is subject to, the terms and conditions of any and all Federal Aviation Administration ("FAA"), Texas Department of Transportation ("TxDOT"), and other grant agreements, grant assurances and regulations regarding the Airport, including, without limitation, any grant, loan, regulation, or agreement under Section 22.055 of the Texas Transportation Code, as amended or superseded, whether now existing or made in the future. Tenant agrees not to act or fail to act in Demised Premises any way or manner that would cause Landlord to be in violation of any of the foregoing.

3. Tenant for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (i) no person on the grounds of race, creed, color, national origin, sex, age or of a qualifying disability shall be excluded from participation in, denied the benefits of or be otherwise subjected to discrimination in the use of the Demised Premises; (ii) that in the construction of any improvements on, over or under the Demised Premises and the furnishing of services thereon, no person on the grounds of race, creed, color, national origin, sex, age, or qualifying disability shall be excluded from participation in, denied the benefits of or otherwise be subjected to discrimination; and (iii) that the Tenant shall use the Demised Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964 and as said Regulations may be amended.

4. The Tenant agrees to furnish service on a fair, equal, and not unjustly discriminatory basis to all users thereof and to charge fair, reasonable, and not unjustly discriminatory prices for each unit or service, provided that the Tenant may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

5. Tenant shall not at any time leave the Demised Premises vacant, but shall in good faith continuously throughout the term of this Lease conduct and carry on in the entire Demised Premises the type of operations or use for which the Demised Premises are leased, except during periods in which the Demised Premises may not be occupied as a result of fire or other casualty or condemnation, a Force Majeure event (as defined in Section 42 below) in which case Tenant shall return to the Demised Premises within a commercially reasonable time following the cessation of the Force Majeure event, or during any commercially reasonable period necessary for making repairs and alterations, all such repairs and alterations to be diligently pursued to completion.

Section 6. Existing Building Improvements and the Construction of New Building Improvements:

A. Existing Building Improvements: Tenant's use and occupancy of the Demised Premises include those real property improvements having been already constructed and existing on the Demised Premises as of the Effective Date of this Ground Lease, which are more fully described in "Exhibit 3 – As-built Survey of Demised Premises" and "Exhibit 4A - Inventory of Existing Building Improvements as of Effective Date" attached hereto and incorporated herein by reference (the "Existing Building Improvements"). Tenant's acceptance of the Existing Building Improvements is expressly subject to the terms and conditions of Section 7 below.

B. New Building Improvements: Over the Term, Tenant may make New Building Improvements upon receipt of advance written approval from Landlord of the proposed Design Plan (as defined below), which approval shall not be unreasonably withheld, conditioned, or delayed.

"New Building Improvements" may consist of (i) material modifications to the Existing Building Improvements (e.g. expansion, demolition, structural changes to the building shell, roof, foundation, vehicle off-street parking or aircraft apron surfaces) and/or (ii) construction of new buildings and/or real property improvements on the Demised Premises including, but not limited to, Tenant's Capital Improvements defined in Section 2.B.4 above and more fully described in Exhibit 4B-Description of Tenant's Capital Improvements (including any material modifications made to any portion of the Existing Building Improvements), whether or not at Tenant's sole cost, expense and risk. For purposes herein, the term "Building Improvements" shall mean collectively the Existing Building Improvements and/or the New Building Improvements whichever the case may be. Except as provided for in this Agreement, Tenant may not construct, locate, install, place, or erect any other improvements upon the Demised Premises without the prior written consent of Landlord.

C. New Building Improvements shall be constructed on the Demised Premises in accordance with plans and specifications prepared by an architect and/or engineer selected by Tenant (the "Design Plan"), which Design Plan shall be submitted to Landlord and approved in writing by Landlord by the issuance of a Building Permit or other means as determined by Landlord.

D. Any architect or engineer employed by Tenant to design the New Building Improvements shall be duly licensed to practice architecture or engineering, as the case may be, in the State of Texas. Such construction shall be performed in the best, highest of quality ("First Class") workmanlike manner consistent with the industry standard for new building improvements for executive jet FBOs and in compliance with all applicable building codes, standards and ordinances, as set out in more detail, below. Tenant agrees to promptly pay and discharge all costs, expenses, claims for damages (including incidental, special, and consequential damages) or injury (including, without limitation, claims for personal injury or death, or property damage or destruction, or economic loss), liens and any and all other liabilities and obligations which arise in connection with such construction or violation of this Lease with respect thereto, and **TENANT SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS LANDLORD AND MANAGER, AND THEIR RESPECTIVE OFFICIALS, OFFICERS, EMPLOYEES AND AGENTS (IN BOTH THEIR OFFICIAL AND PRIVATE CAPACITIES) (THE "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL SUCH COSTS, EXPENSES, CLAIMS, DAMAGES, PENALTIES, FINES, LIENS LIABILITIES, AND OBLIGATIONS DESCRIBED IN THE PRECEDING SENTENCE (TOGETHER, FOR PURPOSES OF THIS SUBSECTION, THE "DAMAGES"), INCLUDING SUCH COSTS, EXPENSES, CLAIMS, DAMAGES, PENALTIES, FINES, LIENS LIABILITIES, AND OBLIGATIONS WHICH ARE ALLEGED OR FOUND TO HAVE BEEN CAUSED BY OR RESULT FROM, IN WHOLE OR IN PART, THE NEGLIGENCE OF ANY OF THE INDEMNIFIED PARTIES (BUT NOT THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE INDEMNIFIED PARTIES), OR CONDUCT BY THE INDEMNIFIED PARTIES THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, OR THE VIOLATION OF ANY TERM OF THE LEASE WITHOUT LIMITATION. HOWEVER, TO THE EXTENT GROSS NEGLIGENCE AND/OR WILLFUL MISCONDUCT ARE ALLEGED SIMULTANEOUSLY WITH CLAIMS REQUIRING DEFENSE AND INDEMNITY HEREIN, TENANT SHALL DEFEND ALL CLAIMS ALLEGED AGAINST THE INDEMNIFIED PARTIES. TENANT'S LIABILITY UNDER THIS INDEMNITY OBLIGATION SHALL BE REDUCED BY THAT PORTION OF THE TOTAL AMOUNT OF THE DAMAGES (EXCLUDING DEFENSE FEES AND COSTS) EQUAL TO THE INDEMNIFIED PARTIES' PROPORTIONATE SHARE OF NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, THAT CAUSED THE DAMAGES. LIKEWISE, TENANT'S LIABILITY FOR THE INDEMNIFIED PARTIES' DEFENSE COSTS AND ATTORNEYS' FEES SHALL BE REDUCED BY A PORTION OF THE DEFENSE COSTS AND ATTORNEYS'**

FEES EQUAL TO THE INDEMNIFIED PARTIES' PROPORTIONATE SHARE OF NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO THE STRICT LIABILITY OF ANY KIND, THAT CAUSED THE DAMAGES. THIS INDEMNIFICATION SHALL SURVIVE THE TERMINATION OF THIS LEASE. It is expressly understood and agreed that Tenant's construction of the New Building Improvements shall include the finish-out in accordance with the plans and specifications for the finish-out of the Building Improvements as submitted by Tenant to Landlord and approved in writing by Landlord, such approval not to be unreasonably withheld, delayed or conditioned.

E. Landlord's approval of the Design Plan or any other plans and/or specifications does not impose on Landlord any responsibility whatsoever, including, without limitation, any responsibility for the conformance of the plans and specifications with any governmental regulations, building codes, and the like, for which Tenant and its contractors shall have full and complete responsibility.

F. Throughout the Term, Tenant shall not physically cause or authorize the commencing of the construction of any New Building Improvements (as provided for herein or otherwise) except and until Landlord delivers to Tenant its written *Notice to Proceed with Construction*, which shall not be unreasonably withheld by Landlord. Landlord's written *Notice to Proceed with Construction* shall, among other things, stipulate and serve evidence of (i) Tenant's no later than Construction Commencement Date; (ii), Tenant's required date to achieve Substantial Completion; (iii) Tenant's required date of Final Completion (as these two latter terms are defined in Subsection 6.K below); and to (iv) affirm Tenant's required minimum Cost of Construction of the New Building Improvements as provided for herein or as otherwise mutually agreed to by the Parties. For the purposes herein, it is reasonable for Landlord to withhold its written *Notice to Proceed with Construction* until Landlord has received delivery of (or the documented evidence thereof) in the form and content acceptable to Landlord as follows:

1. Written approval of the Design Plan by Landlord.
2. Copies of required building permit(s) or licenses necessary to construct the Building Improvements on the Demised Premises.
3. A true and correct copy of the Federal Aviation Administration's ("FAA's") Determination of Hazard and Tenant's filing of Form 7460 Notice of Proposed Construction or Alteration.
4. Execution of a contract with a qualified general contractor.
5. Proof of required Builder's Risk Insurance Policy.
6. Evidence that the Airport has been included as an additional obligee on the applicable general contractor's Payment and Performance Bond.

G. Tenant shall complete construction of the New Building Improvements authorized by Landlord with reasonable diligence, without material deviation from the Design Plan, and any material deviation from the Design Plan shall be subject to the prior review and approval of Landlord.

1. Save and except for Force Majeure as defined in Section 42 herein, if construction of the New Building Improvement is not Substantially Completed by and/or Final Completion is not achieved on or before the date first given in Landlord's written *Notice*

to Proceed with Construction (per Section 6.F above), or as otherwise provided for herein, Tenant shall then pay to Landlord upon written demand Two Hundred and Fifty Dollars (\$250.00) as additional rent for each and every day thereafter until such completion is achieved satisfactory to Landlord. Notwithstanding anything to the contrary herein, if after the issuance of the Notice to Proceed with Construction a determination is made by the FAA or other regulatory agency that has jurisdiction over the Premises or the applicable New Building Improvement that will increase the total cost of such project by a material amount over the total amount budgeted by Tenant, the parties will revise the scope of the work required in such Notice to Proceed with Construction in an equitable manner.

2. Tenant must (i) satisfactorily complete the required capital repairs on or before the stipulated Substantially Complete Date and (ii) provide satisfactory evidence Tenant has met or exceed the stipulated Cost of Construction value or amount set forth herein to qualify for the pending Extended Term and any remaining Extended Term options.

H. Tenant agrees that any construction or modification of the Building Improvements or any other improvements which may be authorized by Landlord, which authorization, if any, shall be in writing, on or within the Demised Premises shall comply with all standards, codes, and rules adopted by Landlord or Airport Manager, including, but not limited to, any rules relating to construction and maintenance standards and specifications, shall further comply with the Town of Addison, Texas building and related codes and zoning requirements, and will meet or exceed all applicable state and federal standards (including, without limitation, Title III of the Americans With Disabilities Act of 1990, any state laws governing handicapped access or architectural barriers, and all rules, regulations, and guidelines promulgated under such laws, as amended from time to time). Tenant recognizes that such construction/maintenance standards and specifications, Town of Addison building and related codes and zoning requirements, and all applicable state and federal standards (including, without limitation, Title III of the Americans With Disabilities Act of 1990, any state laws governing handicapped access or architectural barriers, and all rules, regulations, and guidelines promulgated under such laws, as amended from time to time) may be modified or amended from time to time and that compliance will be measured by such standards in effect at the time of a particular construction or modification of improvements after the initial construction of the Building Improvements pursuant to the approved Design Plan.

I. Tenant will properly and timely submit to the Federal Aviation Administration (FAA), the Texas Department of Transportation (TxDOT), and any other governmental authority, entity or agency having jurisdiction regarding Addison Airport, a Notice of Proposed Construction or Alteration, when and as required, and such other forms and information as may be required by the FAA, TxDOT, or other governmental entity or agency having jurisdiction over Addison Airport.

J. Tenant further agrees that the Landlord shall be authorized at all times during any project of construction to enter upon the Demised Premises, and all parts thereof, in order to observe the performance of such construction, and Tenant agrees to provide the Landlord a construction schedule setting out the time of commencement, final completion and completion of significant elements of the construction, which schedule shall be delivered to Landlord prior to the start of any construction project on the Demised Premises.

K. "Substantial Completion of the New Building Improvements" or "Substantial Completion" shall be deemed to have occurred upon the issuance by the Town of Addison, Texas of a certificate of temporary or final occupancy for any portion of the New Building Improvements, if required. "Final Completion" of the construction of the New Building Improvements shall be deemed to occur upon the issuance by Tenant's architect or engineer who designed the New Building Improvements of such documentation as may be necessary to establish the final completion (closeout) of the construction of the New Building Improvements and the delivery by Tenant to Landlord of comprehensive As-Built Drawings and other such documentation reviewed by Tenant's architect reflecting all approved changes and modifications to the originally approved Design Plan.

L. Failure of Tenant to observe and comply with the requirements of this Section, subject to notice and cure as provided for herein above and/or in Section 23(B) and/or Section 23(C), shall be an Event of Default.

Section 7. Acceptance of Demised Premises: TENANT ACKNOWLEDGES THAT TENANT HAS FULLY INSPECTED THE DEMISED PREMISES AND ACCEPTS THE DEMISED PREMISES AND THAT THE DEMISED PREMISES ARE LEASED TO TENANT "AS IS, WHERE IS, AND WITH ALL FAULTS AND PATENT AND LATENT DEFECTS", AND LANDLORD HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY DISCLAIMS, ANY REPRESENTATION, PROMISE, COVENANT, AGREEMENT, GUARANTY OR WARRANTY OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, AS TO THE QUANTITY, QUALITY, CONDITION, SUITABILITY, HABITABILITY, OR FITNESS OF THE PROPERTY INCLUDING WITHOUT LIMITATION THE DEMISED PREMISES AND THE IMPROVEMENTS THEREON, FOR ANY PURPOSE WHATSOEVER, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION REGARDING SOIL CONDITIONS, AVAILABILITY OF UTILITIES [SUBJECT TO SECTION 16], DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS, OR ANY OTHER FEDERAL, STATE OR LOCAL STATUTES, CODES, REGULATIONS OR ORDINANCES. TENANT ALSO ACKNOWLEDGES AND AGREES THAT TENANT'S INSPECTION AND INVESTIGATION OF THE DEMISED PREMISES HAVE BEEN (OR WILL BE) ADEQUATE TO ENABLE TENANT TO MAKE TENANT'S OWN DETERMINATION WITH RESPECT TO THE SUITABILITY OR FITNESS OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO SOIL CONDITIONS, AVAILABILITY OF UTILITIES [SUBJECT TO SECTION 16], DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS, AND ANY OTHER FEDERAL, STATE OR LOCAL STATUTES, CODES, REGULATIONS OR ORDINANCES. TENANT ACKNOWLEDGES THAT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS PARAGRAPH ARE AN INTEGRAL PORTION OF THIS LEASE AND THAT LANDLORD WOULD NOT AGREE TO LEASE THE DEMISED PREMISES TO TENANT AS SET FORTH HEREIN WITHOUT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS PARAGRAPH. TENANT FURTHER ACKNOWLEDGES THAT TENANT IS NOT IN A DISPARATE BARGAINING POSITION WITH RESPECT TO LANDLORD. TENANT ACKNOWLEDGES AND AGREES FURTHER THAT THIS LEASE IS SUBJECT TO ANY AND ALL CURRENTLY EXISTING TITLE

EXCEPTIONS OR OTHER MATTERS OF RECORD OR ANY MATTER OR ITEM VISIBLE OR APPARENT FROM AN INSPECTION AFFECTING THE DEMISED PREMISES. TENANT WAIVES ANY EXPRESS OR IMPLIED WARRANTIES OF SUITABILITY, HABITABILITY, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND FURTHER WAIVES ALL CLAIMS BASED ON ANY DEFECT IN THE DEMISED PREMISES WHETHER OR NOT SUCH DEFECT COULD HAVE BEEN DISCOVERED BY TENANT'S REASONABLE INSPECTION. TENANT, AT ITS COST, SHALL BE ENTITLED TO PERFORM A PHASE I ENVIRONMENTAL STUDY, PROVIDING A COPY THEREOF TO LANDLORD, ALL AS MAY BE SPECIFIED IN MORE DETAIL IN SECTION 22.D, BELOW. WITHOUT LIMITING THE FOREGOING, THERE IS NO WARRANTY, EXPRESS OR IMPLIED, OF SUITABILITY, MERCHANTABILITY, HABITABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE GIVEN IN CONNECTION WITH THIS LEASE.

In accepting the Demised Premises, Tenant acknowledges that this Lease shall be construed to provide rent to Landlord on a Net Return Basis, as set out in Section 32, below.

Section 8. Securing Governmental Approvals and Compliance with Law; Noise Abatement:

A. Tenant at Tenant's sole cost and expense shall obtain any and all governmental licenses, permits and approvals necessary for the construction of improvements and for the use and occupancy of the Demised Premises. This Lease is subject to and Tenant shall comply at all times with all laws, ordinances, rules, regulations, directives, permits, or standards of any governmental authority, entity, or agency (including, without limitation, the Town of Addison, Texas, the State of Texas, the Federal Aviation Administration, the Texas Department of Transportation, the United States Environmental Protection Agency, and the Texas Commission on Environmental Quality) applicable or related to, whether directly or indirectly the use and occupancy of the Demised Premises and whether in existence or hereafter enacted, adopted or imposed. Tenant shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in or upon, or connected with, the Demised Premises, all at Tenant's sole cost and expense, and shall comply with and be subject to (and this Lease is made and entered into subject to) any and all grant agreements or grant assurances now existing or as hereafter agreed to, adopted or imposed.

Tenant agrees that any new construction or modification of existing improvements on the Demised Premises will comply with all standards and rules published by the Landlord or by the Airport Manager (as of the Effective Date, the Airport Manager is as set forth in the Recitals, above, but the Airport Manager may be changed or modified by the City, and for purposes of this Lease the Airport Manager shall also mean any person or entity authorized by Landlord to manage and/or operate the Airport), including, but not limited to, the Airport's published "Construction/Maintenance Standards and Specifications," will comply with the Town of Addison building and related codes and zoning requirements or any other laws, ordinances, permits, rules, regulations, or policies of the Town of Addison, Texas, and will meet or exceed all applicable State and Federal standards, permits, laws, rules, or regulations. Tenant recognizes that the referenced Construction/Maintenance Standards and Specifications, Town of Addison building and related codes and zoning requirements and other laws, ordinances, permits, rules, regulations or policies, and all applicable State and Federal standards, laws,

rules, or regulations may be modified or amended from time to time and that compliance will be measured by such standards in effect at the time of a particular construction or modification of improvements after the initial construction of the Building Improvements pursuant to the Design Plan.

B. Tenant shall comply with all noise abatement standards at the Airport at all times, shall notify any employee, guest or invitee of Tenant, including any aircraft operator, using any portion of the Demised Premises of such standards and shall ensure compliance with such standards by such third party.

Section 9. Assignment, Subletting, and Mortgaging of Leasehold Estate; Stored Aircraft Information:

A. Without the prior written consent of Landlord (which consent may be granted or withheld in Landlord's sole and absolute discretion and opinion), Tenant shall have no power to and may not either voluntarily or involuntarily, by operation of law or otherwise, (i) assign, sell, pledge, encumber, mortgage, license, transfer, or otherwise convey in any manner whatsoever, including by merger, consolidation, operation of law, or otherwise, (together, "assign" or "assignment," and the person or entity to whom an assignment is made being an "assignee"), this Lease or any rights, duties, or obligations of Tenant hereunder (except to a leasehold mortgagee as hereinbelow provided and in accordance with and subject to all of the terms and conditions of this Lease) or (ii) sublet the whole or any part of the Demised Premises, and any such assignment or any subletting shall be null and void and may be deemed by Landlord (in Landlord's sole discretion) an event of default under Section 23 of this Lease. Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of Section 5 pertaining to the Permitted Use of the Demised Premises. In the event of any Landlord-approved assignment or subletting, Tenant shall not assign Tenant's rights, duties, or obligations hereunder nor sublet the Demised Premises without first obtaining a written agreement from each such assignee or sublessee whereby each such transferee or sublessee agrees to be bound by the terms and provisions of this Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the Demised Premises are assigned or sublet, Landlord, in addition to any other rights and remedies provided herein or by law, may at Landlord's option, collect directly from such assignee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such assignee or subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder. Landlord's consent to any assignment or subletting will not act as a waiver of any rights or remedies granted to or retained by Landlord under this Lease and shall not act as an election of remedies nor shall it prohibit Landlord from exercising its rights and remedies with respect to any other actual or proposed assignment or subletting, and Landlord's consent to any assignment shall not relieve Tenant or any Guarantor of any liability to Landlord under this Lease or otherwise.

B. Notwithstanding the foregoing, Landlord hereby acknowledges and consents to Tenant's subletting of the Demised Premises for the purpose of renting aircraft storage only, provided that each sublease is evidenced by written agreement, signed and executed by Tenant and sublessee and fairly states:

1. Each sublessee agrees to be bound by the terms and provisions of the Ground Lease, including the provisions of Section 5 pertaining to the use of the Demised Premises, and in the event of any conflict between the terms of the Ground Lease and the terms of the sublease, the terms of the Lease shall control;
2. Such subletting shall not constitute a novation;
3. In the event of occurrence of an event of default while the Demised Premises are sublet, Landlord, in addition to any other remedies provided herein or by law, may at Landlord's option, collect directly from such subtenant all rents becoming due under such subletting and apply such rent against any sums due to Landlord hereunder;
4. Sublessee shall be obligated to obtain Landlord's consent to any action as to which Tenant is obligated to obtain such consent under the Lease;
5. Any such sublease is to automatically terminate upon termination of this Lease notwithstanding any other provision of the sublease to the contrary; and
6. Landlord shall have no responsibility or obligation for the performance by Tenant of its obligations under the sublease.

Neither this consent, the exercise by Landlord of its rights and remedies hereunder, nor the sublease or any other instrument shall give sublessee any rights directly or indirectly against Landlord or create or impose any obligation, duty, responsibility, or liability of Landlord in favor of or for the benefit of sublessee. Furthermore, Tenant agrees that in no way does any sublease release Tenant from any of its covenants, agreements, liabilities and duties under this Lease; that this consent does not constitute approval by Landlord of the terms of any such sublease; that nothing herein contained shall be deemed a waiver or release of any of the Landlord's rights or remedies under this Lease or pursuant to law, in equity, or otherwise; that Tenant shall remain fully liable for the performance of each and every term, provision, covenant, duty and obligation of the Tenant under this Lease, including, without limitation, the duty to make any and all payments of Rent; and that any violation of any terms and conditions of this Lease by a sublessee may constitute a default under this Lease.

C. If consent by Landlord to an assignment is required hereunder, Tenant shall request, in writing, Landlord's consent to a proposed assignment and such request must include, in addition to any other information or materials that Landlord may request: (i) the name of the proposed assignee; (ii) the nature and character of the assignee's business; (iii) all material terms of the proposed assignment; and (iv) financial statements prepared or reviewed by an independent CPA, or other evidence of the proposed assignee to perform its obligations under this Lease.

For purposes hereof, an assignment will be deemed to occur if the person or persons who own or have voting control of more than 50% of Tenant on the Effective Date cease to own or have voting control of more than 50% of Tenant at any time during the Term. Tenant shall provide to Landlord from time to time, as requested by Landlord and in a form acceptable to Landlord, a written certification confirming that no such assignment has occurred without Landlord's consent, if such consent is required hereunder. For purposes hereof, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities.

D. Tenant shall have the right to mortgage the leasehold estate of Tenant created hereby in order to secure a mortgage loan for the purpose of (i) obtaining funds for the construction of the New Building Improvements described in Section 6, or to reimburse Tenant for funds advanced by Tenant for such purpose or to refinance any such loan, or (ii) other construction upon the Demised Premises approved from time to time by Landlord in writing, or (iii) for any other purpose which may be approved from time to time by Landlord in writing. In the event that Tenant, pursuant to mortgages or deeds of trust, mortgages the leasehold estate of Tenant created hereby, the leasehold mortgagee shall in no event become personally liable to perform the obligations of Tenant under this Lease unless and until said mortgagee becomes the owner of the leasehold estate pursuant to foreclosure, transfer in lieu of foreclosure, or otherwise, and thereafter said leasehold mortgagee shall remain liable for such obligations only so long as such mortgagee remains the owner of the leasehold estate. Notwithstanding the foregoing, it is specifically understood and agreed that no such mortgaging by Tenant and/or any actions taken pursuant to the terms of such mortgage shall ever relieve Tenant of Tenant's obligation to pay the rent due hereunder and otherwise fully perform the terms and conditions of this Lease.

E. All mortgages or deeds of trust whereby Tenant mortgages the leasehold estate of Tenant created hereby shall contain provisions (i) requiring the leasehold mortgagee to give Landlord at least fifteen (15) days written notice prior to accelerating the debt of Tenant to such mortgagee and/or initiating foreclosure proceedings under said mortgages or deeds of trust, and (ii) allowing Landlord during such fifteen (15) day notice period to cure Tenant's default and prevent said acceleration and/or foreclosure proceedings, and thereafter at Landlord's option to assume Tenant's position under said mortgages or deeds of trust.

F. Landlord agrees, if and so long as the leasehold estate of Tenant is encumbered by a leasehold mortgage and written notice to such effect has been given to Landlord, to give the holder of such leasehold mortgage at such address or addresses as may be specified in such written notice to Landlord for the giving of notices to the leasehold mortgagee, or as otherwise may be specified by the leasehold mortgagee to Landlord in writing, written notice of any default hereunder by Tenant, simultaneously with the giving of such notice to Tenant, and the holder of any such leasehold mortgage shall have the right, for a period of fifteen (15) days after its receipt of such notice or within any longer period of time specified in such notice, to take such action or to make payment as may be necessary or appropriate to cure any such default so specified, it being the intention of the parties hereto that Landlord shall not exercise Landlord's right to terminate this Lease without first giving any such leasehold mortgagee the notice provided for herein and affording any such leasehold mortgagee the right to cure such default as provided for herein.

G. Landlord further agrees to execute and deliver to any proposed leasehold mortgagee of Tenant a "Non-Disturbance Agreement" wherein Landlord agrees that Landlord will (i) recognize such mortgagee after foreclosure, or transfer in lieu of foreclosure, as Tenant hereunder, and (ii) continue to perform all of Landlord's obligations hereunder so long as such mortgagee performs all of the obligations of Tenant hereunder; provided, however, that notwithstanding the foregoing or any other provision of this Lease, such mortgagee or its successors and assigns after foreclosure or transfer in lieu of foreclosure shall not and does not have the right and shall not and does not have the power to assign (as defined in subsection A, of this Section 9) this Lease, or any right, interest, obligation, or liability hereunder, or any part of the Demised Premises, without the

prior written approval of Landlord, and any such assignment shall be null and a cause for immediate termination of this Lease by Landlord, it being the intent of this provision that such mortgagee shall have no greater right to assign or sublet this Lease, or any right, interest, obligation, or liability hereunder, or any part of the Demised Premises, than the Tenant has as set forth in this Section 9. Landlord also agrees to consider the execution and delivery to such proposed leasehold mortgagee any other documents which such proposed leasehold mortgagee may reasonably request concerning the mortgaging by Tenant of the leasehold estate created hereby; provided, however, that Landlord shall never be required to subordinate Landlord's interest in the Demised Premises to the mortgage of such proposed leasehold mortgagee.

H. Upon request by Landlord, Tenant shall provide to Landlord a complete and accurate roster of any subtenants which shall include, but not be limited to, name, legal mailing address, email address, daytime telephone number, 24-hour emergency contact information, term of sublease, together with the make, model, aircraft type and "N" number of any aircraft regularly stored or located on or in the Demised Premises covered by said sublease. Tenant's failure to provide said information as prescribed constitutes a default of this Lease, subject to notice and cure as provided in Section 23(B).

Section 10. Property Taxes and Assessments: Tenant shall pay, before they become delinquent, any and all property taxes or assessments, and any other governmental charges, fees or expenses (collectively, the "Taxes"), levied or assessed on any improvements on the Demised Premises, the personal property and fixtures on the Demised Premises, and, if applicable, upon the leasehold estate of Tenant created hereby. Upon the request of Landlord, Tenant shall from time to time furnish to Landlord "paid receipts" or other written evidence that all such taxes have been paid by Tenant. In the event Tenant shall fail to pay any such taxes, assessments, or charges prior to delinquency, Landlord shall have the right to pay (but not the obligation) or may cause all taxes, assessments, or charges to be paid and the reasonable costs thereof expended by Landlord plus interest thereon as provided in Section 39 of this Lease shall be paid by Tenant on demand. Subject to the payment of any outstanding Taxes, Tenant may protest, appeal or institute other formal proceedings to effect a reduction or abatement of real estate taxes and assessments with respect to real estate taxes and assessments levied against the improvements on the Demised Premises and/or the Tenant's leasehold interest in the Lease for any tax fiscal year that ends after the Commencement Date of this Lease. Such protest, appeal or other proceedings may be conducted only in the name of Tenant. To this end and at Tenant's expense, Tenant shall give Landlord written notice of any such protest or appeal and resolution thereof. Notwithstanding the foregoing, Tenant shall not contest the determination that the buildings and/or improvements are subject to taxation. If a final (non-appealable) determination is rendered by DCAD or a court of appropriate and competent jurisdiction that any such buildings or other improvements are not subject to property taxation, the rent (as the same may be adjusted) for the year in which such final determination becomes effective shall be increased by an amount equal to the property tax revenue from such buildings and improvements that Tenant would have paid to the Town of Addison, Texas in that year but for such final determination (and such initial increased amount shall be paid to Landlord on or before December 31 of such year, unless otherwise agreed to by Landlord); thereafter, the rent (as the same may be adjusted) as so increased shall continue, subject to adjustment as set forth in this Lease.

Section 11. Maintenance and Repair of Demised Premises:

A. Tenant shall, throughout the term hereof, maintain the Demised Premises and all improvements made thereto (including the Building Improvements and any other constructed or added Building Improvement made thereto in the future), fixtures, equipment and personal property in “good repair and in a first-class condition”, as such phrase is defined in the Lease Addendum #1 attached hereto, ordinary wear and tear excepted. Furthermore, Tenant shall, over the Term, continue to maintain the Demised Premises in accordance with all applicable ordinances, codes, rules and regulations of or adopted by the Town of Addison, Texas or any other agency with regulatory oversight of any or all portions of the Demised Premises and any buildings, improvements, fixtures, equipment and personal property on the Demised Premises. Tenant’s failure to keep the Demised Premises and all buildings, improvements, fixtures, equipment and personal property situated thereon in good repair and condition and compliant with all regulations, codes and ordinances as required by this Section 11 or elsewhere provided for in the Lease is an Event of Default, subject to Landlord’s written notice and Tenant cure period specified in Section 23, under this Lease (the foregoing is not intended to limit any remedies outside of this Lease that the City has to enforce violations of its ordinances). In the event Tenant shall fail to so maintain the Demised Premises and the buildings, improvements, fixtures, equipment and personal property (excluding aircraft stored in the Building Improvements) situated thereon, after notice and an opportunity to cure as provided in Section 23 below, in addition to its other rights and remedies, Landlord shall have the right (but not the obligation), in accordance with Section 24, to enter the Demised Premises without liability to Tenant to repair or cause to be repaired all such deficiencies and, or perform or cause to be performed such maintenance necessary to remedy such conditions; and all reasonable costs therefore expended by Landlord plus interest thereon as provided for in Section 39 shall be paid by Tenant upon demand.

B. Notwithstanding the foregoing, set forth as “Lease Addendum #1” attached hereto and incorporated herein by reference and made a part hereof, are “Tenant’s Leasehold Minimum Maintenance and Repair Standards and Practices,” which are intended as maintenance and repair standards and practices Landlord expects of Tenant. Tenant (and any of its successors or assigns) hereby agrees to meet or exceed the Tenant’s Leasehold Minimum Maintenance and Repair Standards and Practices throughout the Term. Notwithstanding the foregoing, as provided in Section 18 below, Landlord reserves the right, in its sole discretion, to introduce and adopt other regulations deemed appropriate and necessary by Landlord for the purpose, among other things, of protection of the property of Landlord. In the event Landlord should formally adopt similar leasehold maintenance and repair standards governing such practices of all ground leaseholds at Addison Airport (“Replacement Maintenance Standards”), such encompassing regulations and practices shall supersede and replace Lease Addendum #1 in its entirety upon the effective date of such Replacement Maintenance Standards for the duration of the Term. A copy of any new or amended maintenance and repair standards shall be provided to Tenant promptly after such adoption. In no case shall Tenant be liable for failure to follow any maintenance or repair standards for which it has not received notice thereof.

Section 12. Alterations, Additions, and Improvements: After completion of the New Building Improvements described in Section 6, Tenant shall not create any openings in the roof or exterior walls, or make any alterations, additions or improvements to the Demised Premises or any

improvements thereon or modifications thereto without the prior written consent of Landlord or Airport Manager. Consent for non-structural alterations, additions or improvements shall not be unreasonably withheld, conditioned, or delayed by Landlord or Airport Manager. Tenant shall have the right to erect or install shelves, bins, machinery, air conditioning or heating equipment and trade fixtures without consent, provided that Tenant complies with all applicable governmental laws, ordinances and regulations (including, without limitation and as may be required by law, obtaining a building permit).

All alterations, modifications, additions and improvements in and to the Demised Premises shall be performed in a First Class workmanlike manner consistent with the industry standard for alterations, modifications, additions and improvements to executive jet hangars and FBO terminal facilities, shall comply with all the standards and requirements set out above, and in Section 6 and Section 8, and Tenant shall promptly pay and discharge all costs, expenses, liens and any and all other liabilities and obligations which arise in connection therewith **(AND SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS LANDLORD AND AIRPORT MANAGER, AND THEIR RESPECTIVE OFFICIALS, OFFICERS, EMPLOYEES, AND AGENTS, FROM AND AGAINST ANY AND ALL SUCH COSTS, EXPENSES, CLAIMS, LIENS, LIABILITIES, AND OBLIGATIONS TO THE EXTENT REQUIRED IN SECTION 21)**.

Section 13. Insurance and Bonds:

A. At all times in connection with this Lease and during the Term hereof, Tenant shall purchase and maintain at Tenant's sole cost and expense and in a company or companies lawfully authorized to do business in Texas such insurance coverages relating to the Demised Premises as follows:

1. Insurance against loss or damage to improvements by fire, lightning, and all other risks from time to time included under standard extended coverage policies, and sprinkler, vandalism and malicious mischief, all in amounts sufficient to prevent Landlord or Tenant from becoming co-insurers of any loss under the applicable policies but in any event in amounts not less than one hundred percent (100%) of the full insurable value of the Demised Premises and any and all improvements thereon. The term "full insurable value" as used herein means actual replacement value at the time of such loss. Upon request, such replacement value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to Landlord, and, thereafter, proper adjustment in the limits of insurance coverage shall be affected.

2. Commercial General Liability insurance at minimum combined single limits of \$1,000,000 per-occurrence and \$1,000,000 general aggregate for bodily injury, death or property damage or destruction occurring on, in or about the Demised Premises, which coverage shall include products/completed operations (\$1,000,000 products/ completed operations aggregate). Coverage for products/completed operations must be maintained for at least two (2) years after construction work has been completed. Coverage must include contractual liability.

3. Statutory limits of workers compensation insurance and employer's liability with limits of liability of not less than \$1,000,000 each occurrence each accident/\$1,000,000.00 by disease each-occurrence/\$1,000,000 by disease aggregate.

4. If applicable, boiler and pressure vessel insurance on all steam boilers and air compressors, parts thereof and appurtenances attached or connected thereto which by reason of their use or existence are capable of bursting, erupting, collapsing, imploding or exploding, in the minimum amount of \$500,000 for damage to or destruction of property resulting from such perils.

5. In connection with the design and construction of any improvements on the Demised Premises, architects, engineers, and construction managers, including design/build contractors used by Tenant, shall carry professional liability insurance at minimum limits of \$250,000; this coverage must be maintained for at least two (2) years after the improvements are completed, and if coverage is written on a claims-made basis, a policy retroactive date equivalent to the inception date of this Lease (or earlier) must be maintained.

6. Hangarkeepers Legal Liability insurance, at limits of \$1,000,000 per-occurrence is required if Tenant is engaged in maintenance, repair, or servicing of aircraft belonging to a third-party, or if Tenant is otherwise involved in any operation in which Tenant has care, custody, or control of an aircraft that belongs to a third-party.

7. Aircraft liability insurance against third party bodily injury or death and property damage or destruction at minimum limits required by regulatory agencies having jurisdiction at the Airport and which are acceptable to Landlord, but in any event not less than \$1,000,000 each occurrence (applies to the ownership, operation or use of aircraft by Tenant or any subtenant). Policy shall include non-owned aircraft liability with a minimum of \$1,000,000 and medical expense coverage with a limit of \$5,000 for any one person.

8. Business Automobile Liability insurance for all Tenant owned and non-owned vehicles being operated on the Airport with a minimum combined single limit of \$1,000,000 for bodily injury and property damage.

9. If Tenant is fueling aircraft at the Airport pursuant to a fueling permit or license issued by the City, Tenant shall maintain a minimum of \$1,000,000 in Pollution Liability Insurance coverage, which may be satisfied through sudden and accidental pollution coverage under Tenant's commercial general liability policy.

10. Such other insurance in such amounts and against such other insurable hazards, which at the time are commonly obtained within the aeronautical industry for similar types of building improvements and other improvements that may be located on the Demised Premises and Tenant's permitted use of the Demised Premises.

B. Tenant shall cause all such policies of insurance to comply with the following and be specifically endorsed as follows:

1. The Town of Addison, Texas, and the Airport Manager and their respective past and present officials, officers, employees and agents shall be named as additional insureds, or loss payees as the case may be, except with respect to the professional liability policies and workers compensation insurance.

2. All insurance policies which name the Town of Addison, Texas and the Airport Manager (and their respective past and present officials, officers, employees and agents) as additional insureds must be endorsed to read as primary coverage and non-contributory regardless of the application of other insurance.

3. A waiver of subrogation in favor of the Town of Addison, Texas, and the Airport Manager (and their respective past and present officials, officers, employees and agents) shall be contained in each policy required herein.

4. All insurance policies shall be endorsed to the effect that the Town of Addison, Texas and the Airport Manager will receive at least thirty (30) days written notice prior to cancellation or non-renewal of the insurance coverages (except that if such insurance is canceled for non-payment of premium, such notice shall be ten (10) days).

5. All liability policies shall contain no cross-liability exclusions or insured versus insured restrictions applicable to the claims of the Town of Addison or the Airport Manager.

6. Tenant may maintain reasonable and customary deductibles, subject to approval by Landlord.

7. Insurance must be purchased from insurers that are financially acceptable to Landlord and licensed to do business in the State of Texas.

8. Tenant shall provide written notice to Landlord of any material change in the insurance coverages required herein within thirty (30) days after the change in coverage.

C. All insurance must be written on forms filed with and approved by the Texas Department of Insurance. Certificates of insurance, satisfactory to Landlord, evidencing all coverage above, shall be prepared and executed by the insurance company or its authorized agent, promptly delivered to Landlord and updated as may be appropriate, and shall:

1. List each insurance coverage described and required herein. Such certificates will also include a copy of the endorsements necessary to meet the requirements and instructions contained herein.

2. Specifically set forth the notice-of-cancellation or termination provisions to the Town of Addison and the Airport Manager.

D. In connection with any construction on the Demised Premises:

1. During any period of construction, a Builder's Risk Completed Value policy with an all risks endorsement in an amount equal to the greater of the full-completed value or the amount of the construction contract including any amendments or change orders thereto. The policy shall provide "All Risk" Builder's Risk Insurance (extended to include the perils of wind, collapse, vandalism/malicious mischief, and theft, including theft of materials whether or not attached to any structure). The deductible shall not exceed \$5,000.

2. Tenant shall cause its general contractor to obtain and keep, or cause to be kept, in full force and effect (during the period of initial construction of the Building Improvements) at no cost or expense to Landlord, a Performance Bond and a Payment Bond guaranteeing, respectively, the faithful performance of all construction work and the payment of all obligations arising during the construction (including, without limitation, the payment of all persons performing labor or providing materials under or in connection with the Building Improvements), in the penal sum of one-hundred percent (100%) of the construction costs. Tenant shall cause the general contractor to pay the premiums for such bonds. Bonds shall be issued by a surety company licensed by the State of Texas to act as a Surety and listed on the current U.S. Treasury Listing of Approved Sureties. All forms shall be made on a form complying with the requirements of the laws of the State of Texas. Such bonds shall be in conformance with the provisions of Chapter 2253, Tex. Gov. Code, and any successor statute thereto. Tenant and Landlord shall be named as joint obligees of all such bonds. After the completion of the Building Improvements contemplated by this Lease, in the event that Tenant subsequently requests the commencement of additional construction or improvements in an amount equal to or greater than Five Hundred Thousand Dollars (\$500,000), then Tenant shall provide Landlord a Payment Bond and Performance Bond in the same manner as articulated in this Section 13.D.2.

E. Landlord reserves the right to review from time to time the insurance requirements contained herein and to reasonably adjust coverages and limits when deemed necessary and prudent by Landlord.

Section 14. Casualty Damage or Destruction:

A. In case of any damage to or destruction of the buildings, structures, equipment, or any other improvements on or at the Demised Premises (including the Building Improvements), or any part thereof, Tenant will promptly give written notice thereof to Landlord, generally describing the nature and extent of such damage and/or destruction.

B. In case of any damage to or destruction of any building, structure, equipment, or other improvements (including the Building Improvements) on or at the Demised Premises, or any part thereof, Tenant, whether or not the insurance proceeds, if any, payable on account of such damage and/or destruction commence within a commercially reasonable time following such damage or destruction and diligently proceed to completion the restoration, repair and replacement of said building, structure, equipment, or other improvements as nearly as possible to their value, condition and character immediately prior to such damage and/or destruction and with at least as good workmanship and quality as such building, structure, equipment, or other improvements on

or at the Demised Premises being repaired or replaced, with such alterations in and additions thereto as may be approved in writing by Landlord (hereinafter sometimes referred to as the "Restoration"). All Restoration plans (whether design, architectural, or otherwise) shall be approved in writing by Landlord prior to the commencement of construction, which approval shall not be unreasonably withheld, delayed, or conditioned. All such design and construction shall comply with other Sections of this Lease concerning the design and construction of buildings and other improvements on or at the Demised Premises, including without limitation Sections 6, 8, and 13 hereof. Within a commercially reasonable time following damage or destruction of any Building Improvements, Tenant shall clear the Demised Premises of debris and maintain it in a safe and commercially reasonable state of cleanliness until the commencement of Restoration required hereunder.

C. All insurance proceeds payable on account of such damage to or destruction of the buildings, structures and equipment on the Demised Premises shall be held by an escrow agent mutually acceptable to Landlord and Tenant (all costs of escrow agent are to be paid from the insurance proceeds). Landlord shall be protected, and fully indemnified by Tenant in accordance with Sections 6 and 21 hereof and other relevant provisions of this Lease, in acting upon any certificate received in accordance with Section 14.D.1. below believed in good faith by Landlord to be genuine and to have been executed by the proper party and shall receive such certificate as conclusive evidence of any fact or as to any matter therein set forth. Such certificate shall be full warranty, authority, and protection to Landlord in acting thereon and Landlord shall be under no duty to take any action other than as set forth in this Section 14.

D. Insurance proceeds held by the escrow agent on account of any damage to or destruction of the buildings, structures and equipment on the Demised Premises, or any part thereof (less the costs, fees and out-of-pocket expenses incurred by Landlord, and Tenant in the collection and administration thereof, including, without limitation, adjuster's and attorney's fees and escrow agent expenses ("Net Insurance Proceeds")) shall be applied as follows:

1. Net insurance proceeds as above defined shall be paid to Tenant or as Tenant may direct from time to time as Restoration progresses to pay (or reimburse Tenant for) the cost of Restoration, upon written request of Tenant to Landlord accompanied by (a) certificate of a supervising architect or engineer approved by Landlord, describing in reasonable detail the work and material in question and the cost thereof, stating that the same were necessary or appropriate to the Restoration and constitute a complete part thereof, and that no part of the cost thereof has theretofore been reimbursed, and specifying the additional amount, if any, necessary to complete the Restoration, and (b) an opinion of counsel satisfactory to Landlord that there exist no mechanics', materialmen's or similar liens for labor or materials except such, if any, as are discharged by the payment of the amount requested.

2. Upon receipt by Landlord of the certificate and opinion required by the foregoing clauses (i) (a) and (b) that Restoration has been completed and the cost thereof paid in full, and that there are no mechanics', materialman's or similar liens for labor or materials supplied in connection therewith, the balance, if any, of such proceeds shall be paid to Tenant or as Tenant may direct.

E. In the event Tenant does not commence Restoration within a commercially reasonable time following such damage or destruction, or after commencement Tenant does not diligently proceed to the completion of same shall be an Event of Default by Tenant pursuant to notice and cure in Section 23.B of this Lease. Landlord shall have the right, but not the obligation, to commence or complete Restoration as described hereinafter. Landlord's right to commence or complete Restoration shall begin after Landlord has given Tenant at least thirty (30) days written notice requesting (i) the commencement of Restoration, or (ii) that Tenant diligently proceed to the completion of Restoration, and Tenant during such thirty (30) day period fails to commence or fails to proceed to diligently complete Restoration. In such event, Landlord shall be entitled to obtain the insurance proceeds, and Tenant shall promptly pay any deficiency if such proceeds are not sufficient for Restoration.

F. In the event of termination of this Lease by Landlord as a result of Tenant's failure to commence or complete (as the case may be) the Restoration, this Lease shall terminate and come to an end upon Landlord's termination as aforesaid as though the date of such termination by Landlord were the date of expiration of the Term of this Lease. Any insurance proceeds remaining shall be paid to the Landlord.

Section 15. Condemnation:

A. If during the Term hereof, any part of the Demised Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose or are sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the Demised Premises is not susceptible to efficient and economic occupation and operation by Tenant, in Tenant's sole discretion, this Lease shall automatically terminate as of the date that said condemning authority takes possession of the Demised Premises, and Landlord shall refund to Tenant any prepaid but unaccrued rental less any sum then owing by Tenant to Landlord plus such amounts as set forth in Section 15(C) below.

B. If after such taking by or sale to said condemning authority Tenant determines that the remainder of the Demised Premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the rental due hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the term hereof the sum obtained by multiplying each monthly rental installment due hereunder, as adjusted from time to time pursuant to Section 4, by a fraction, the numerator of which shall be the number of square feet remaining in the Demised Premises after the taking by or sale to said condemning authority and denominator of which shall be the square footage originally contained in the Demised Premises. The rental adjustment called for herein shall not commence until said condemning authority actually takes possession of the condemned portion of the Demised Premises. Additionally, upon such taking or sale, Landlord and Tenant shall review the status of the outstanding New Building Improvements and mutually agree upon the feasibility of each. Notwithstanding the infeasibility of a New Building Improvement, the Tenant may, in its sole discretion, elect to extend the Lease Term as though the applicable New Building Improvement had been completed; provided however, Tenant shall pay to Landlord any compensation for the taking related to the loss opportunity to construct the New Building Improvements.

C. If this Lease is not terminated pursuant to Section 15.A. above, Tenant shall commence within a commercially reasonable time following such taking or condemnation to restore any building and any other improvements on the Demised Premises, and the condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid first to cover the costs and expenses for restoring the remaining portion of the Demised Premises to a condition susceptible to efficient and economic occupation and operation by Tenant, and any remaining proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant, as their interest may appear. If this Lease is terminated pursuant to Section 15.A. condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant as their interests may appear in any condemnation proceeding. For any termination or partial termination of this Lease due to a condemnation, Tenant shall receive proceeds commensurate with the value of the then-existing New Building Improvements that are subject to such sale or taking and no longer usable by Tenant.

Section 16. Utilities: Tenant shall be responsible at Tenant's sole cost and expense for obtaining all utility connections at or for the Demised Premises and Tenant shall pay all charges for water, electricity, gas, sewer, telephone or any other utility connections, tap-in fees, impact fees, and services furnished to the Demised Premises during the Term hereof. Tenant agrees to contact all utility service providers prior to any excavation or digging on the Demised Premises. Landlord shall in no event be liable or responsible for any cessation or interruption in any such utility services

Section 17. Common Facilities: Tenant and Tenant's employees, agents, servants, customers and other invitees shall have the non-exclusive right to use all common facilities, improvements, equipment and services which may now exist or which may hereafter be provided by Landlord for the accommodation and convenience of Landlord's customers and tenants, including landing and takeoff facilities, means of ingress and egress to the Demised Premises, other Airport installations, and all other reasonable services which may be provided with or without charge from time to time by Landlord in operating the Airport ("Common Facilities"). All such Common Facilities shall at all times be under the exclusive control, operation and management of Landlord and may be rearranged, modified, changed, or altered from time to time at Landlord's sole discretion. Under no circumstances shall Landlord remove or terminate Tenant's ingress and egress or take any action that would materially change Tenant's ingress and egress to the Demised Property for its Permitted Use without providing Tenant alternative ingress and egress.

Section 18. Rules and Regulations: Landlord has adopted *Addison Airport Minimum Standards and Requirements for Commercial Aeronautical Service Providers* (also commonly referred to as the "Minimum Standards" or "Airport Minimum Standards") and *Addison Airport Rules and Regulations* (also commonly referred to as the "Rules and Regulations" or "Airport Rules and Regulations"), which shall govern Tenant in the use of the Demised Premises and all Common Facilities, a copy of which has been furnished to Tenant. The Minimum Standards and Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant always agrees to comply fully with these governing documents. Landlord, in its sole discretion, shall have the right to amend, modify and alter these Minimum Standards and Rules and Regulations from time to time in a reasonable manner or may introduce other regulations as deemed necessary for the purpose of assuring the safety, welfare, convenience and protection of property of Landlord, Tenant and all other

tenants and customers of the In no case shall Tenant be liable for failure to follow any of the Minimum Standards or Rules and Regulations for which it has not received notice thereof.

Section 19. Signs and Equipment: After first securing Landlord's approval, which shall not be unreasonably withheld, delayed or conditioned, Tenant shall have the right from time to time to install and operate signs depicting Tenant's name and operate radio, communications, meteorological, aerial navigation and other equipment and facilities in or on the Demised Premises that may be reasonably necessary for the operation of Tenant's business, provided such signs and equipment are installed and maintained in compliance with all applicable governmental laws, rules, and regulations, including the City sign ordinance, and do not interfere with the operation of any navigation facilities or Airport communications (including, without limitation, navigation facilities or Airport communications used or operated by the Federal Aviation Administration).

Section 20. Landlord's Right of Entry: Landlord and Landlord's authorized representatives shall have the right, during normal business hours, to enter the Demised Premises (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the Demised Premises to any prospective tenant or purchaser or (iv) for any other reasonable and lawful purpose.

During the final one hundred eighty (180) days of the term hereof, Landlord and Landlord's authorized representatives shall have the right to erect and maintain on or about the Demised Premises customary signs advertising the Demised Premises for lease.

Section 21. Indemnity and Exculpation:

A. **Exculpation.** The Town of Addison, Texas and all other Addison Persons and the Manager Persons (for purposes of this subparagraph A, as the terms "Addison Persons" and "Manager Persons" are defined in subparagraph B below), shall not be liable to Tenant or to any Tenant Persons (for purposes of this subparagraph A, as the term "Tenant Persons" is defined in subparagraph B below), or to any other person whomsoever, for any death or injury to persons or damage to or destruction of property or any other harm on or about the Premises or any adjacent area owned by Landlord caused by or resulting from any act or omission of Tenant or any Tenant Persons or any other person entering the Premises under express or implied invitation of Tenant or any Tenant Persons, or arising out of the use or occupation of the Premises by Tenant or by any Tenant Persons, in the performance of Tenant's obligations hereunder.

B. **Tenant's Indemnity Obligation.** NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, TENANT AGREES TO AND SHALL FULLY DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO LANDLORD WHEN SUCH CLAIM IS NOT A COVERED CLAIM UNDER TENANT'S INSURANCE), INDEMNIFY AND HOLD HARMLESS (i) THE TOWN OF ADDISON, TEXAS, AND ITS ELECTED OFFICIALS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, AND VOLUNTEERS OF THE TOWN OF ADDISON, TEXAS, INDIVIDUALLY OR COLLECTIVELY, IN BOTH THEIR OFFICIAL AND PRIVATE CAPACITIES (THE TOWN OF ADDISON, TEXAS, AND THE ELECTED OFFICIALS, THE OFFICERS, EMPLOYEES, REPRESENTATIVES, AND VOLUNTEERS OF THE TOWN OF ADDISON, TEXAS EACH BEING AN "ADDISON PERSON" AND

COLLECTIVELY THE "ADDISON PERSONS") AND (II) AIRPORT MANAGER AND AIRPORT MANAGER'S OWNERS, OFFICERS, EMPLOYEES AND AGENTS (AIRPORT MANAGER AND AIRPORT MANAGER'S OWNERS, OFFICERS, EMPLOYEES AND AGENTS EACH BEING A "MANAGER PERSON" AND COLLECTIVELY THE "MANAGER PERSONS"), 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 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 MANAGER PERSON OR THE DEMISED PREMISES, WHETHER DIRECTLY OR INDIRECTLY, (COLLECTIVELY FOR PURPOSES OF THIS SUBPARAGRAPH B, "DAMAGES"), THAT RESULT FROM, RELATE TO, OR ARISE OUT OF, IN WHOLE OR IN PART, FROM:

(I) ANY CONDITION OF THE DEMISED PREMISES CAUSED IN WHOLE OR IN PART BY TENANT OR BY ANY OF TENANT'S OWNERS, DIRECTORS, SHAREHOLDERS, PARTNERS, MANAGERS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, ENGINEERS, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, TENANTS, LICENSEES, INVITEES, PATRONS, CONCESSIONAIRES, OR ANY OTHER PERSON OR ENTITY FOR WHOM TENANT IS LEGALLY RESPONSIBLE, AND THEIR RESPECTIVE OWNERS, DIRECTORS, SHAREHOLDERS, PARTNERS, OFFICERS, MANAGERS, EMPLOYEES, AGENTS, REPRESENTATIVES, ENGINEERS, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, TENANTS, LICENSEES, INVITEES, PATRONS, AND CONCESSIONAIRES, OR ANY OTHER PERSON ACTING BY OR UNDER THE AUTHORITY OR WITH THE PERMISSION OF TENANT, TENANT'S TENANTS, OR ANY OTHER PERSON ENTERING THE PREMISES UNDER EXPRESS OR IMPLIED INVITATION OF TENANT DURING THE TERM (COLLECTIVELY, "TENANT PERSONS"); PROVIDED, HOWEVER, TENANT PERSON SHALL NOT INCLUDE ANY ADDISON PERSON OR MANAGER PERSON; AND

(II) ANY CONSTRUCTION ON OR REPAIR TO THE DEMISED PREMISES, OR THE DEMISED PREMISES BECOMING OUT OF REPAIR DUE TO THE FAULT OF TENANT OR ANY TENANT PERSONS, 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 PREMISES, REGARDLESS OF THE SOURCE, OR BY DAMPNES OR BY FIRE, EXPLOSION, FALLING PLASTER OR CEILING; AND

(III) BREACH OF THE REPRESENTATIONS OR WARRANTIES BY TENANT UNDER THIS LEASE; AND/OR

(IV) ANY ACT OR OMISSION OF TENANT OR ANY TENANT PERSONS UNDER, IN CONNECTION WITH, OR IN THE PERFORMANCE OF, THIS LEASE.

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 OF THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSON, THE AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON, OR BY ANY ACT OR OMISSION BY THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSON, THE AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.

HOWEVER, TENANT'S LIABILITY UNDER THIS SECTION 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 MANAGER PERSON OR MANAGER PERSONS' (AS THE CASE MAY BE) PROPORTIONATE SHARE OF NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, THAT CAUSED THE LOSS. LIKEWISE, TENANT'S LIABILITY FOR ANY OF THE ADDISON PERSON'S OR ANY MANAGER PERSON'S DEFENSE COSTS AND ATTORNEYS' FEES SHALL BE REDUCED BY THAT PORTION OF THE DEFENSE COSTS AND ATTORNEYS' FEES EQUAL TO ADDISON PERSON OR ADDISON PERSONS', OR MANAGER PERSON OR MANAGER PERSONS' (AS THE CASE WOULD BE) PROPORTIONATE SHARE OF NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO THE STRICT LIABILITY OF ANY KIND, THAT CAUSED THE LOSS.

TENANT SHALL PROMPTLY ADVISE LANDLORD IN WRITING OF ANY CLAIM OR DEMAND AGAINST THE TOWN OF ADDISON, ANY OTHER ADDISON PERSON, ANY MANAGER PERSON, OR TENANT OR ANY TENANT PERSON RELATED TO OR ARISING OUT OF TENANT'S ACTIVITIES UNDER THIS LEASE AND SHALL SEE TO THE INVESTIGATION AND DEFENSE OF SUCH CLAIM OR DEMAND AT TENANT'S SOLE COST AND EXPENSE. THE ADDISON PERSONS AND MANAGER PERSONS (AS THE CASE MAY BE) SHALL HAVE THE RIGHT, AT THE ADDISON PERSONS' OR MANAGER PERSONS' (AS THE CASE MAY BE) OPTION AND AT THEIR OWN EXPENSE, TO PARTICIPATE IN SUCH DEFENSE WITHOUT RELIEVING TENANT OF ANY OF ITS OBLIGATIONS HEREUNDER.

C. **Release.** TENANT HEREBY RELEASES THE TOWN OF ADDISON, TEXAS AND ALL OTHER ADDISON PERSONS (AS THE TERM "ADDISON PERSONS" IS DEFINED IN SUBPARAGRAPH B. OF THIS SECTION 21) AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS (AS THE TERM "MANAGER PERSONS" IS DEFINED IN SUBPARAGRAPH B. OF THIS SECTION 21) (COLLECTIVELY THE "RELEASED PARTIES) FROM, AND AGREES THAT THE TOWN OF ADDISON, TEXAS AND ALL OTHER ADDISON PERSONS, AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS, SHALL NOT BE LIABLE TO TENANT OR ANY TENANT PERSONS (AS THE TERM "TENANT PERSONS" IS DEFINED IN SUBPARAGRAPH B. OF THIS SECTION 21) FOR (I) ANY DEATH OR INJURY TO ANY PERSON OR PERSONS OR DAMAGE TO OR DESTRUCTION OF PROPERTY OF ANY KIND RESULTING FROM THE DEMISED PREMISES BECOMING OUT OF REPAIR OR BY DEFECT IN OR 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 DEMISED PREMISES, REGARDLESS OF THE SOURCE, OR BY DAMPNESS OR BY FIRE, EXPLOSION, FALLING PLASTER OR CEILING OR FOR ANY OTHER REASON WHATSOEVER, AND FOR (II) ANY LOSS OR DAMAGE THAT MAY RESULT FROM OR BE OCCASIONED BY OR THROUGH THE ACTS OR OMISSIONS OF OTHER TENANTS OF LANDLORD OR CAUSED BY OPERATIONS IN CONSTRUCTION OF ANY PRIVATE, PUBLIC, OR QUASI-PUBLIC WORK.

D. THE PROVISIONS OF THIS SECTION 21 SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE.

Section 22. Environmental Compliance:

A. **No Storage or Disposal:** Tenant shall not install, store, use, treat, transport, discharge or dispose (or permit or acquiesce in the installation, storage, use, treatment,

transportation, discharge or disposal by Tenant, its directors, officers, shareholders, members, partners, agents, employees, invitees, contractors, subcontractors, independent contractors, or subtenants) on the Demised Premises or any portion of the Common Facilities, any: (a) asbestos in any form; (b) urea formaldehyde foam insulation; (c) transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million; or (d) any other chemical, material, air pollutant, toxic pollutant, waste, or substance which is regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated by the Resource Conservation Recovery Act (42 U.S.C. §6901, et seq., as amended or superseded), the Comprehensive and Environmental Response Compensation and Liability Act (42 U.S.C. §9601, et seq, as amended or superseded), the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the Clean Air Act, and/or the Clean Water Act, or any other federal, state, county, regional, local or other governmental authority laws, rules, orders, standards, policies, or regulations, or which, even if not so regulated may or could pose a hazard to the health and safety of the occupants of the Demised Premises and/or any portions of the Common Facilities, and which is either: (i) in amounts in excess of that permitted or deemed safe under any applicable law, rule, order, standard, policy, or regulation or (ii) in any manner prohibited or deemed unsafe under applicable law, rule, order, standard, policy, or regulation. (The substances referred to in (a), (b), (c) or (d) are collectively referred to hereinafter as "Hazardous Materials").

B. Cleanup Laws: Tenant shall, at Tenant's own expense, comply with any presently existing or hereafter enacted laws relating to Hazardous Materials (collectively, "Cleanup Laws"); provided, however that, Tenant shall not be responsible for correcting any violation of the Cleanup Laws under this Section that existed prior to the Effective Date. In furtherance and not in limitation of the foregoing, Tenant shall, at Tenant's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Authority") under the Cleanup Laws. Should any Authority require that a cleanup plan be prepared and that a cleanup be undertaken because of the existence of Hazardous Materials which were installed, stored, used, treated, transported, disposed of or discharged on the Demised Premises and/or any portion of the Common Facilities, by Tenant, its directors, shareholders, members, partners, officers, agents, employees, invitees, independent contractors, contractors, subcontractors, licensees, subtenants, any other person entering the Demised Premises under express or implied invitation of Tenant, or any person directly or indirectly employed by or acting under Tenant, during the Term of this Lease, excluding Addison Persons and Manager Persons, Tenant shall, at Tenant's own expense, prepare and submit the required plans and financial assurances and carry out the approved plans in accordance with such Cleanup Laws and to Landlord's satisfaction. At no expense to Landlord, Tenant shall promptly provide all information requested by Landlord for preparation of affidavits or other documents required by Landlord to determine the applicability of the Cleanup Laws to the Demised Premises and/or any portion of the Common Facilities, as the case may be, and shall sign the affidavits promptly when requested to do so by Landlord.

TENANT'S FURTHER INDEMNITY OBLIGATION. TENANT SHALL INDEMNIFY, DEFEND, SAVE AND HOLD HARMLESS LANDLORD AND ALL OTHER ADDISON PERSONS, AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS, FROM AND AGAINST, AND REIMBURSE LANDLORD AND ALL OTHER ADDISON PERSONS, AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS FOR ANY AND ALL OBLIGATIONS, DAMAGES, INJUNCTIONS, FINES, PENALTIES, DEMANDS, CLAIMS, COSTS, FEES, CHARGES, EXPENSES, ACTIONS, CAUSES OF ACTION, JUDGMENTS, LIABILITIES, SUITS, PROCEEDINGS AND LOSSES OF WHATEVER KIND OR NATURE (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COURT COSTS), AND ALL CLEANUP OR REMOVAL COSTS (COLLECTIVELY FOR PURPOSES OF THIS SUBSECTION, "DAMAGES") AND ALL ACTIONS OF ANY KIND ARISING OUT OF OR IN ANY WAY CONNECTED WITH, (I) THE GENERATION, INSTALLATION, STORAGE, USE, TREATMENT, TRANSPORTING, DISPOSAL OR DISCHARGE OF HAZARDOUS MATERIALS IN OR ON THE DEMISED PREMISES AND/OR ANY PORTION OF THE AIRPORT, INCLUDING THE COMMON FACILITIES, OR ANY PROPERTY ADJACENT TO THE AIRPORT, BY TENANT OR ANY TENANT PERSONS, AND (II) ALL FINES, SUITS, PROCEDURES, CLAIMS AND ACTIONS OF ANY KIND ARISING OUT OF TENANT'S FAILURE TO PROVIDE ALL INFORMATION, MAKE ALL SUBMISSIONS AND TAKE ALL STEPS REQUIRED BY THE RELEVANT AUTHORITY UNDER THE CLEANUP LAWS OR ANY OTHER ENVIRONMENTAL LAW, RULE, STANDARD, REGULATION, OR POLICY ("ENVIRONMENTAL DAMAGES"). 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 [BUT NOT THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT] OF THE LANDLORD, ANY OTHER ADDISON PERSON, AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON, OR BY ANY ACT OR OMISSION OF LANDLORD, ANY OTHER ADDISON PERSON, AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON THAT MAY GIVE RISE TO STRICT LIABILITY OF ANY KIND. HOWEVER, TENANT'S LIABILITY UNDER THIS CLAUSE SHALL BE REDUCED BY THAT PORTION OF THE TOTAL AMOUNT OF THE ENVIRONMENTAL DAMAGES (EXCLUDING DEFENSE FEES AND COSTS) EQUAL TO THE ADDISON PERSON OR ADDISON PERSONS', OR MANAGER PERSON OR MANAGER PERSONS' (AS THE CASE MAY BE) PROPORTIONATE SHARE OF NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, THAT CAUSED THE LOSS. LIKEWISE, TENANT'S LIABILITY FOR AN ADDISON PERSON OR ADDISON PERSONS' OR ANY MANAGER PERSON OR MANAGER PERSONS' DEFENSE COSTS AND ATTORNEYS' FEES SHALL BE REDUCED BY THAT PORTION OF THE DEFENSE COSTS AND ATTORNEYS' FEES EQUAL TO THE ADDISON PERSON OR ADDISON PERSONS' OR ANY MANAGER PERSON OR MANAGER PERSONS' (AS THE CASE MAY BE) PROPORTIONATE SHARE OF NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, THAT CAUSED THE LOSS. In addition to and not in limitation of Landlord's other rights and remedies, Tenant's failure to abide by the terms of this Section shall be restrainable by injunction.

C. Environmental Notices: Tenant shall promptly supply Landlord with copies of any notices, correspondence and submissions made by Tenant to or received by Tenant from any governmental authorities of the United States Environmental Protection Agency, the United States Occupational Safety and Health Administration, the FAA, TxDOT, or any other local, state or federal authority that requires submission of any information concerning environmental matters or Hazardous Materials.

D. Prior to the Commencement Date of this Lease, the Tenant, at Tenant's sole cost and expense, shall be entitled to conduct a Phase I Environmental Site Assessment ("ESA") with respect to the Demised Premises. If the Phase I ESA indicates the likely presence of Hazardous Materials on the Demised Premises, Tenant shall be entitled to conduct a Phase II ESA at Tenant's sole cost and expense. If the Phase II ESA indicates the presence of Hazardous Materials on the Demised Premises, Tenant shall be entitled, as its sole remedy, to disaffirm this Lease, in which case this Lease shall become null and void and no further obligation shall be borne by either party hereto. A copy of a Phase I ESA and Phase II ESA, if any, shall be delivered promptly to Landlord upon completion.

E. NOTWITHSTANDING ANYTHING IN THIS LEASE TO THE CONTRARY, TENANT SHALL NOT HAVE ANY LIABILITY OR OBLIGATION UNDER THIS LEASE TO ANY PARTY ARISING OUT OF OR RELATED TO, THE GENERATION, INSTALLATION, STORAGE, USE, TREATMENT, TRANSPORTING, DISPOSAL, OR DISCHARGE OF HAZARDOUS MATERIALS IN, ON, OR UNDER ANY PORTION OF THE AIRPORT OTHER THAN THE DEMISED PREMISES (INCLUDING, BUT NOT LIMITED TO, THE COMMON FACILITIES, THE AIRPORT FUEL FARM, OR ANY PROPERTY ADJACENT TO THE AIRPORT), EVEN IF SUCH HAZARDOUS MATERIALS MIGRATES, DRAINS, OR LEACHES ONTO OR UNDER THE DEMISED PREMISES, UNLESS A TENANT PARTY GENERATED, INSTALLED, STORED, USED, TREATED, TRANSPORTED, DISPOSED OR DISCHARGED SUCH HAZARDOUS MATERIALS.

F. **SURVIVAL: THE OBLIGATIONS AND LIABILITIES OF THE PARTIES PURSUANT TO THE TERMS OF SECTIONS 6, 21, 22 AND 28 SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.**

Section 23. Default by Tenant: Each of the following events, inclusive of those events of default otherwise referenced herein, shall be deemed to be an "Event of Default" (herein so called) by Tenant under this Lease:

A. Failure of Tenant to pay any installment of Rent payable to Landlord or any other sum payable to Landlord hereunder, on the date that same is due, and such failure shall continue thereafter for a period of ten (10) days (the "10-day Grace Period") and such failure shall not be cured within ten (10) days after written notice thereof (the "Cure Period") to Tenant (which Cure Period may overlap, in whole or in part, the 10 day Grace Period).

B. Failure to pay or cause to be paid taxes (to the extent Tenant is obligated to pay or cause same to be paid), utilities, or insurance premiums, or any other payment which Tenant is obligated to pay under the Lease and such failure shall continue for a period of thirty (30) days after written notice thereof to Tenant.

C. Failure of Tenant to comply with any term, condition or covenant of this Lease (other than the payment of rent or other sum of money, or the payment of taxes, utilities or insurance premiums, or other payments Tenant is to make under this Lease, as set forth in Subsection A and B of this Section 23) and such failure shall not be cured within either (i) a specific cure period provided for in this Lease applicable to such failure, or (ii) if not otherwise specified, thirty (30) days after written notice thereof to Tenant; provided, however, in the event such failure is not susceptible of cure within such thirty (30) day period, then such thirty (30) day period shall be extended for an additional period of time necessary to cure so long as Tenant has provided

Landlord written notice of the curative measures Tenant proposes to undertake and commenced to cure such failure within the initial thirty (30) day period and thereafter diligently pursues such cure.

D. Insolvency, the making of a transfer in fraud of creditors, or the making of an assignment for the benefit of creditors by Tenant or any guarantor of Tenant's obligations.

E. Filing of a petition under any section or chapter of the Bankruptcy Code, as amended, or under any similar law or statute of the United States or any State thereof by Tenant or any guarantor of Tenant's obligations, or adjudication as a bankrupt or insolvent in proceedings filed against Tenant or such guarantor.

F. Appointment of a receiver or trustee for all or substantially all the assets of Tenant or any guarantor of Tenant's obligations.

G. Abandonment or cessation of use of the Demised Premises or any substantial portion thereof for the purpose leased by Tenant for a period of ninety (90) consecutive days.

H. Tenant is in default of any other lease or agreement with the Town of Addison after notice and opportunity to cure, if applicable, or, provided Tenant is the holder of a valid aviation fuel dispensing permit or license issued by the Town of Addison, is in default of said fuel dispensing permit or license after notice and opportunity to cure, if applicable.

Section 24. Remedies of Landlord: Upon the occurrence of any of Event of Default by Tenant under this Lease, Landlord, without prejudice to any other legal, equitable, or contractual right or remedy, shall have the option to pursue any one or more of the following rights or remedies using lawful force if necessary or appropriate, without notice or demand whatsoever:

A. Terminate this Lease or any of Tenant's rights under this Lease, with or without reentering or repossessing the Demised Premises, and terminate any other lease or agreement at the Airport between Landlord and Tenant and any fuel license or permit granted to Tenant. Landlord may also terminate this Lease at any time after a termination of occupancy or possession as described in subsection B. of this Section 24.

B. Terminate Tenant's right to occupy or possess all or any part of the Demised Premises without terminating this Lease and with or without reentering or repossessing the Demised Premises.

C. Recover unpaid Rent and any Damages (as defined below).

D. Re-enter and re-possess all or any part of the Demised Premises by changing or picking the locks, access codes, or other access control devices, and taking any other self-help or judicial action, to exclude Tenant and other occupants from the Demised Premises. Re-entry or repossession of the Demised Premises by Landlord will not be construed as an election by Landlord to terminate this Lease.

E. Remove and store (at Tenant's sole cost) any property (other than aircraft) on the Demised Premises.

F. Sue for eviction, specific enforcement, equitable relief, rent, damages, or any other available remedy.

G. Cure Tenant's default, and if Landlord does so, Tenant must reimburse Landlord within 30 days after Landlord delivers an invoice for any actual, out-of-pocket expenses Landlord incurred effecting compliance with Tenant's obligations.

H. Withhold or suspend any payment that this Lease would otherwise require Landlord to make.

I. Exercise all other remedies available to Landlord at law or in equity (including, without limitation, injunctive and other extraordinary remedies).

For purposes of this Section, "Damages" includes, without limitation, all actual, incidental, and or consequential damages, court costs, interest, and attorneys' fees incurred by Landlord and arising from Tenant's breach of this Lease, including, without limitation, the cost of (i) recovering possession of the Demised Premises, (ii) removing and storing Tenant's and any other occupant's property, (iii) re-letting the Demised Premises, including, without limitation, the costs of brokerage commissions and cleaning, make-ready, or repairing the Demised Premises for a substitute tenant or tenants, (iv) collecting any money owed by Tenant or a substitute tenant, (v) repairing any damage caused by any Tenant Persons, (vi) performing any obligation of Tenant under the Lease, and (vii) any other loss or cost incurred by Landlord as a result of, or arising from, Tenant's breach of the Lease or Landlord's exercise of its rights and remedies for such breach.

Unless Landlord delivers signed, written notice thereof to Tenant explicitly accepting surrender of the Demised Premises, providing for termination of this Lease, or evicting Tenant, no act or omission by Landlord or Airport Manager or their respective officials, officers, employees, or agents will constitute Landlord's acceptance of surrender of the Demised Premises, termination of Lease, or an actual or constructive eviction of Tenant (including, without limitation, Tenant's delivery of keys to any of Landlord's or Airport Manager's officials, officers, employees, or agents or Landlord's repossession, reentry, or reletting of the Demised Premises).

Pursuit of any of the foregoing rights or remedies by Landlord shall not preclude Landlord's pursuit of any of the other rights or remedies herein provided or any other rights or remedies provided by law, in equity, or otherwise, nor shall pursuit of any right or remedy herein provided constitute a forfeiture or waiver of any Rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, conditions and covenants herein contained. For the avoidance of doubt, Landlord has no right to take possession of any property which may be situated on the Demised Premises but which is not owned by Tenant including, but not limited to, aircraft any other property which may be owned by a subtenant or licensee of Tenant, or leased or loaned to Tenant.

Section 25. Default by Landlord: No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the Demised Premises or render Landlord liable for damages (including consequential damages) or entitle Tenant to be relieved from any of Tenant's obligations hereunder (including the obligation to pay rent) or grant Tenant any right of deduction, abatement, set-off or recovery or entitle Tenant to take any action whatsoever with regard to the Demised Premises or Landlord until thirty (30) days after Tenant has given Landlord written notice specifically setting forth such default by Landlord, and Landlord has failed to cure such default within said thirty (30) day period, or in the event such default cannot be cured within said thirty (30) day period then within an additional reasonable period of time so long as Landlord has commenced curative action within said thirty (30) day period and thereafter is diligently attempting to cure such default. If Landlord fails to cure such default within said thirty (30) day period, or within said additional reasonable period, Tenant shall have the right as its sole and exclusive remedy to:

A. Proceed to cure such default (provided such cure occurs entirely within the Demised Premises) and deduct the cost of curing same plus interest thereon at the rate of ten percent (10%) per annum from the next succeeding rental installment(s) due by Tenant to Landlord hereunder;

B. Proceed to cure such default (provided such cure occurs entirely within the Demised Premises) and bring suit against Landlord for the cost of curing same plus interest thereon at the rate of ten percent (10%) per annum; or

C. Terminate this lease upon thirty (30) days advance notice.

If any mortgagee of Landlord has given Tenant its address for notices and specifically requests such notice, Tenant agrees to give the notice required hereinabove to such mortgagee at the time Tenant gives same to Landlord, and to accept curative action, if any, undertaken by such mortgagee as if such curative action had been taken by Landlord.

Section 26. Mitigation of Damages:

A. In conjunction with any obligation imposed by law on Landlord to mitigate damages arising from Tenant's abandonment of the Demised Premises in breach of this Lease, Landlord, beginning not more than ninety (90) days after Tenant physically vacates the Demised Premises and continuing until the Demised Premises have been relet (but subject to the provisions of this subsection A, set forth below), will market the Demised Premises for lease, and Tenant will remain liable for all Rent and for Damages incurred by Landlord (as the term "Damages" is defined in Section 24, above).

Landlord and Tenant agree to the following criteria in connection with Landlord's obligation (if any) to mitigate damages as described above:

I. Landlord will have no obligation to solicit or entertain negotiations with any other prospective tenants of the Demised Premises until and unless Landlord obtains full and complete possession of the Demised Premises, including without limitation, the final and unappealable legal right to relet the Demised Premises free of any claim of Tenant.

2. Landlord will not be obligated to offer the Demised Premises to a prospective tenant when other premises suitable for that prospective tenant's use are (or soon will be) available in any other premises located at Addison Airport.

3. Landlord will not have any obligation to lease the Demised Premises for any rental less than the current rate then prevailing for similar space at Addison Airport (or if no similar space is available, the current fair market rental then prevailing for similar space in comparable buildings in the same market area as the Demised Premises) nor shall Landlord be obligated to enter into a new lease under any terms or conditions that are unacceptable to Landlord.

4. Landlord will not be obligated to enter any lease with any prospective tenant whose reputation is not acceptable to Landlord, in Landlord's commercially reasonable judgment and opinion.

5. Landlord will not be obligated to enter into a lease with any prospective tenant: (i) which does not have, in Landlord's sole judgment and opinion, sufficient financial resources and operating experience to operate the Demised Premises in a First Class manner consistent with industry standards for general aviation FBOs and meet its financial obligations; or (ii) whose proposed use of the Demised Premises is not a permitted use under the terms of this Lease.

6. Landlord will not be required to expend any amount of money to alter, remodel or otherwise make the Demised Premises suitable for use by any prospective tenant.

If Landlord makes the Demised Premises available for reletting under the criteria set forth hereinabove, Landlord will be deemed to have fully satisfied Landlord's obligation (if any) to mitigate damages under this Lease and under any law or judicial ruling in effect on the date of this Lease or at the time of Tenant's default, and **TENANT HEREBY WAIVES AND RELEASES**, to the fullest extent legally permissible, any right to assert in any action by Landlord to enforce the terms of this Lease, any defense, counterclaim, or rights of setoff or recoupment respecting the mitigation of damages by Landlord (or alleged failure by Landlord to adequately mitigate its damages), unless and to the extent Landlord maliciously or in bad faith fails to act in accordance with the requirements of this Section.

No rent collected from a substitute tenant for any month in excess of the rent due under the Lease for that month will be credited or offset against unpaid rent for any other month or any other Damages. Tenant stipulates that the mitigation requirements expressed in this Section are objectively reasonable. **TO THE FULLEST EXTENT PERMITTED BY LAW, TENANT WAIVES ANY OTHER OBLIGATION BY LANDLORD TO MITIGATE ITS DAMAGES AFTER TENANT FAILS TO PAY RENT OR VACATES OR ABANDONS THE PREMISES.**

B. Tenant's right to seek actual damages as a result of a default by Landlord under this Lease shall be conditioned on Tenant taking all actions reasonably required, under the circumstances, to minimize any loss or damage to Tenant's property or business, or to any of

Tenant's officers, employees, agents, invitees, or other third parties that may be caused by any such default of Landlord.

Section 27. Waiver of Subrogation: Each party hereto waives any and every claim which arises or may arise in such party's favor against the other party hereto during the Term of this Lease for any and all loss of, or damage to, any of such party's property located within or upon, or constituting a part of, the Demised Premises, which loss or damage is covered by valid and collectible casualty, fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies. Such mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the parties hereto. Inasmuch as such mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company (or any other person), each party hereby agrees immediately to give to each insurance company which has issued to such party policies of fire and extended coverage insurance, written notice of the terms of such mutual waivers, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverages by reason of such waivers.

Section 28. Title to Improvements:

A. Any and all improvements on the Demised Premises, including, without limitation, the Building Improvements constructed on the Demised Premises by or for Tenant, shall be owned by Tenant during the Term of this Agreement.

B. Upon the termination of this Agreement, whether by expiration of the Term hereof or by reason of default on the part of Tenant, or for any other reason whatsoever, the improvements (including, without limitation, the Building Improvements), and all parts thereof, shall merge with the title of the Demised Premises, free and clear of any claim of Tenant and all persons or entities claiming under or through Tenant (including, without limitation, any holder of a leasehold mortgage), and shall become the property of Landlord. In such event (i) Tenant shall deliver up to Landlord the Demised Premises clean and free of trash and in good repair and condition in accordance to the prevailing *Tenant's Leasehold Minimum Maintenance and Repair Standards and Practices*, as amended or modified, with all fixtures and equipment situated in the Demised Premises delivered in good working order, reasonable wear and tear excepted, and (ii) unless Tenant is then default. Tenant shall have the right to remove all personal property (including aircraft stored in the Building Improvements) and trade fixtures owned by Tenant from the Demised Premises, but Tenant shall be required to repair any damage to the Demised Premises caused by such removal in a good and workmanlike manner and at Tenant's sole cost and expense; or (iii) with no less than twelve (12) months remaining to the Term, Landlord may elect to by written notice require Tenant to demolish and remove, or cause to be removed, all improvements from the Demised Premises and restore the Demised Premises to the condition in which the same existed immediately prior to this Lease's Effective Date, in which event Tenant shall, at Tenant's sole cost, risk and expense, perform and complete such removal and restoration in a good and workmanlike manner, in accordance with all applicable ordinances, codes, rules and regulations prior to the expiration or termination of the Term. Upon such termination, Tenant shall, at Landlord's request, execute a recordable instrument evidencing the termination of this Agreement and giving the effective date of said termination or expiration date.

C. Tenant's obligations under this Section 28 shall continue and survive beyond the expiration or termination of this Lease.

Section 29. Mechanics' and Materialmen's Liens Indemnity:

A. TENANT AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS TO THE FULL EXTENT AS PROVIDED IN THIS LEASE, THE INDEMNIFIED PERSONS FROM AND AGAINST ALL LIABILITY ARISING OUT OF THE FILING OF ANY MECHANICS' OR MATERIALMEN'S LIENS AGAINST THE DEMISED PREMISES BY REASON OF ANY ACT OR OMISSION OF TENANT OR ANYONE CLAIMING UNDER TENANT (INCLUDING, WITHOUT LIMITATION, ANY TENANT PERSONS), AND LANDLORD, AT LANDLORD'S OPTION, MAY SATISFY SUCH LIENS AND COLLECT THE AMOUNT EXPENDED FROM TENANT TOGETHER WITH INTEREST THEREON AS PROVIDED IN SECTION 39 as additional rent; provided, however, that Landlord shall not so satisfy such liens until fifteen (15) days after written notification to Tenant of Landlord's intention to do so and Tenant's failure during such fifteen (15) day period to bond such liens or escrow funds with appropriate parties to protect Landlord's interest in the Demised Premises, unless a shorter period of time is dictated by applicable law.

Section 30. INTENTIONALLY DELETED.

Section 31. Quiet Enjoyment and Subordination: Landlord represents that Tenant, upon payment of the Rent and performance of the terms, conditions, covenants and agreements herein contained, shall (subject to all of the terms and conditions of this Lease) peaceably and quietly have, hold and enjoy the Demised Premises during the full Term of this Lease. Landlord further is hereby irrevocably vested with full power and authority by Tenant to subordinate Tenant's interest hereunder to any mortgage, deed of trust or other lien hereafter placed on the Demised Premises or to declare this Lease prior and superior to any mortgage, deed of trust or other lien hereafter placed on the Demised Premises; provided, however, any such subordination shall be upon the express condition that the lienholder executes a commercially reasonable subordination non-disturbance attornment ("SNDA") in which it is acknowledged that (i) this Lease shall be recognized by the mortgagee and that all of the rights of Tenant shall remain in full force and effect during the full Term of this Lease on condition that Tenant attorn to the mortgagee, its successors and assigns, and perform all of the covenants and conditions required by the terms of this Lease, and (ii) in the event of foreclosure or any enforcement of any such mortgage, the rights of Tenant hereunder shall expressly survive and this Lease shall in all respects continue in full force and effect so long as Tenant shall fully perform all Tenant's obligations hereunder and attorn to the purchaser. Tenant also agrees upon demand to execute further instruments declaring this Lease prior and superior to any mortgage, deed of trust or other lien and specifically providing that this Lease shall survive the foreclosure of such mortgage, deed of trust or other lien.

Section 32. Rent on Net Return Basis: The rent provided for in this Lease shall be an absolutely net return to Landlord for the Term of this Lease, free of any loss, expenses or charges with respect to the Demised Premises, including, without limitation, maintenance, repairs, replacement, insurance, taxes and assessments, and this Lease shall be construed in accordance with and to effectuate such intention.

Section 33. Holding Over: Should Tenant, or any of Tenant's successors in interest fail to surrender the Demised Premises, or any part thereof, on the expiration of the Term of this Lease, such holding over shall constitute a tenancy from month to month only terminable at any time by either Landlord or Tenant after thirty (30) days prior written notice to the other, at a monthly rental equal to one hundred twenty-five percent (125%) of the Base Rent paid for the last month of the Term of this Lease.

Section 34. Waiver of Default: No waiver by the parties hereto of any default or breach of any term, condition or covenant of this Lease shall be deemed to be a waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein. Landlord will not be deemed to have waived any right or Tenant's breach of any obligation under this Lease, unless Landlord delivers a signed writing, addressed to Tenant explicitly relinquishing that right or breach. No custom or practice arising during the administration this Lease will waive, or diminish, Landlord's right to insist upon strict performance of Tenant's obligations. No restrictive endorsement or other statement on or accompanying any check or payment will be deemed an accord and satisfaction or novation, and Landlord will be entitled to accept any such check or payment, without prejudice, to Landlord's rights to recover the full amount due and to exercise its other remedies.

Section 35. Release of Landlord Upon Transfer: All of Landlord's personal liability for the performance of the terms and provisions of this Lease (except for any liability accruing prior to such transfer) shall terminate upon a transfer of the Demised Premises by Landlord, provided that the obligations of Landlord under this Lease are covenants running with the land and shall be binding upon the transferee of Landlord's interest in this Lease and the Demised Premises. Landlord shall provide Tenant at least sixty (60) days' notice of any such transfer, together with the name and contact information of the transferee.

Section 36. Attorneys' Fees: If, on account of any breach or default by either Party to this Lease, it shall become necessary for either Party to employ an attorney to enforce or defend any of its rights or remedies hereunder, with the result that a judicial proceeding shall be filed, then the prevailing party in such judicial proceeding shall be entitled, in addition to any other rights it may have, in law or equity, to collect reasonable attorneys' fees and costs of Court incurred.

Section 37. Financial Information: Tenant agrees that Tenant will from time to time upon the written request of Landlord during the Term of this Lease furnish to Landlord such credit and banking references as Landlord may reasonably request.

Section 38. Estoppel Certificates: Landlord and Tenant agree that from time to time, upon not less than ten (10) business days' prior written request by the other, it will deliver to the other a statement in writing certifying that:

- A. This Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease as modified is in full force and effect and stating the modifications).
- B. The dates to which Rent and other charges have been paid.
- C. The other party is not in default under any term or provision of this Lease or if in default the nature thereof in detail in accordance with an exhibit attached thereto.

D. If requested by Landlord, Tenant will not pay rent for more than one (1) month in advance and that this Lease will not be amended without notice to Landlord's mortgagee and that the same will not be terminated without the same notice required by the Lease to be furnished to Landlord also being furnished to Landlord's mortgagee and Landlord's mortgagee fails to cure such default within the curative period allowed Landlord under this Lease.

Section 39. Interest on Tenant's Obligations and Manner of Payment: All monetary obligations of Tenant to Landlord under this Lease remaining unpaid ten (10) days after the due date of the same (if no due date has been established under other provisions hereof, the "due date" shall be the date upon which Landlord demands payment from Tenant in writing) shall bear interest at the rate of ten percent (10%) per annum (or the maximum interest rate permitted by law, whichever is lower) from and after said tenth (10th) day until paid. If more than twice during the Term of the Lease Tenant's personal or corporate check is not paid by the bank on which it is drawn for whatever reason, Landlord may require by giving written notice to Tenant that the payment of all future monetary obligations of Tenant under this Lease are to be made on or before the due date by cash, cashier's check, certified check or money order, and the delivery of Tenant's personal or corporate check will no longer constitute payment of such monetary obligations. Any acceptance by Landlord of a personal or corporate check after such notice shall not be deemed or construed as a waiver or estoppel of Landlord to require other payments as required by said notice. Notwithstanding the foregoing, Tenant's failure to pay any monetary amount due payable is a monetary default of this Lease.

Section 40. Special Events: Landlord may sponsor certain special events, including, but not limited to, air shows, to be conducted on portions of the Airport, which may limit or obstruct access to the Premises and/or to the Airport ("Special Events"), and Tenant agrees and consents to the same. As a material inducement to Landlord to enter into this Lease, and notwithstanding anything to the contrary contained herein, Tenant (i) agrees that Landlord has the right to sponsor any or all Special Events and to allow use of portions of the Airport therefor even if the same limit or obstruct access to the Demised Premises and/or to the Airport; (ii) **releases, waives and discharges** Landlord and Airport Manager, and Landlord Persons and Manager Persons, from claims for any loss, damage, cost, expense or claim arising or resulting from or pertaining to the limitation or obstruction of access to the Demised Premises and/or to the Airport due to the Special Events, including, without limitation, death, injury to person or property or loss of business or revenue except to the extent caused by the gross negligence or willful misconduct of Landlord, Airport Manager, Addison Persons and Manager Person (the "Released Claims"); (iii) **covenants not to sue** the Landlord or Airport Manager, or any of the Landlord Persons and Manager Persons, for any Released Claims; (iv) agrees that the terms contained in this Section are intended and shall be construed to be as broad and inclusive as possible under the laws of the State of Texas; (v) agrees that if any portion of this Section is held to be invalid or unenforceable, the remainder of this Section shall not be affected thereby but shall continue in full force and effect; and (vi) agrees that the provisions of this Section 40 will be included in any sublease or user agreement for the Premises. Landlord agrees to give Tenant reasonable prior written notice of such Special Events so that Tenant may make alternative arrangements for access to the Demised Premises and/or to the Airport.

Section 41. Landlord/Tenant Relationship: It is understood and agreed that in leasing, using, occupying, and operating the Demised Premises, Tenant is a tenant and is not acting as an agent, partner, joint venture, independent contractor or employee of Landlord or Airport Manager.

Section 42. Force Majeure:

A. In the event performance by Landlord of any term, condition or covenant in this Lease is delayed or prevented by an Act of God, strike, lockout, shortage of material or labor, restriction by any governmental authority, civil riot, flood, or any other cause not within the control of Landlord or Lessee, the period for performance of such term, condition or covenant shall be extended for a period equal to the period Landlord or Lessee, as the case may be, is so delayed or hindered.

B. In the event performance by Tenant of any term, condition or covenant in this Lease is delayed or prevented by an Act of God, strike, lockout, shortage of material or labor, restriction by any governmental authority, civil riot, flood, severe weather, delay or restriction by any governmental authority, pandemic or epidemic, or any other cause not within the control of Tenant, the period for performance of such term, condition or covenant shall be extended for a period equal to the period Tenant is so delayed or hindered.

Section 43. Exhibits: All exhibits, attachments, annexed instruments, and addenda referred to herein shall be considered a part hereof for all purposes with the same force and effect as if copied verbatim herein.

Section 44. Use of Language: Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular shall be held to include the plural, unless the context otherwise requires.

Section 45. Captions: The captions or headings, sections, or paragraphs in this Lease are inserted for convenience only and shall not be considered in construing the provisions hereof if any question of intent should arise.

Section 46. Successors; No Third-Party Beneficiaries; No Waiver of Immunity; No Tax Representation:

The terms, conditions, and covenants contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective successors in interest and legal representatives except as otherwise herein expressly provided. All rights, powers, privileges, immunities and duties of Landlord under this Lease, including, but not limited to, any notices required or permitted to be delivered by Landlord to Tenant hereunder, may, at Landlord's option, be exercised or performed by Landlord's agent or attorney.

Except as otherwise set forth in this Lease (e.g., provisions relating to the Airport Manager and Manager Persons), 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.

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 the City, its officials, officers, employees, representatives, and agents, or Airport Manager, its owners, officers, employee, representatives, and agents, are or may be entitled, including, without limitation, any waiver of immunity to suit.

Notwithstanding any provision of this Lease, Landlord makes no representation that this Lease or any provision hereof will entitle or allow Tenant to receive any federal income or other federal tax benefit whatsoever.

Section 47. Severability: If any provision in this Lease should be held to be invalid, illegal, or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby, and the invalid, illegal, or unenforceable term will be reformed to give effect (to the fullest extent possible) to the parties' intentions in a manner that is legal, valid, and enforceable. It is the parties intent that the Term of this Lease not exceed 40 years (480 months); if it should be determined that the Term of this Lease exceeds such period of time, the Term hereof shall be reformed so as to make the Term hereof not exceed such period of time.

Section 48. Notices: Any notice or document required to be delivered or given hereunder in writing shall be delivered or given (i) in person, (ii) by United States mail, postage prepaid, registered or certified mail, return receipt requested, or (iii) by Federal Express Corporation or other nationally recognized carrier to be delivered on the next business day. Such notice or document shall be deemed to be delivered or given, whether actually received or not, (a) when received if delivered or given in person, (b) if sent by United States mail, three (3) business days after being deposited in the United States mail as set forth above, and (c) on the next business day after the day the notice or document is provided to Federal Express Corporation or other nationally recognized carrier to be delivered as set forth above. Addresses for the delivery or giving of any such notice or document are as follows:

TO LANDLORD:

Town of Addison, Texas
c/o City Manager
5300 Belt Line Road
Dallas, Texas 75254
Email: wpierson@addisontx.gov

And

Messer, Fort & McDonald, PLLC
Attn: Brenda N. McDonald
6371 Preston Road, Suite 200
Frisco, Texas 75034
Email: brenda@txmunicipallaw.com

TO TENANT:

Mercury Air Center – Addison, Inc.
dba Atlantic Aviation
Attn: Louis T. Pepper, CEO
5201 Tennyson Pkwy., Suite 150
Plano, Texas 75024

And

Al Archuleta,
Regional Manager
Atlantic Aviation Services
7930 Airport Blvd.
Houston, Texas 77061
Al.Archuleta@atlanticaviation.com

And

Town of Addison, Texas
c/o Addison Airport Manager
16051 Addison Road, Suite 220
Addison, Texas 75001
Attn: Real Estate Manager
Email: bill.dyer@addisonairport.net

And

Intentionally Left Blank

Section 49. Fees or Commissions: Each party hereto hereby covenants and agrees with the other that such party shall be solely responsible for the payment of any brokers', agents', or finders' fees or commissions agreed to by such party arising from the execution of this Lease or the performance of the terms and provisions contained herein, and such party agrees to indemnify and hold the other party harmless from the payment of any such fees or commissions.

Section 50. Counterparts: This Lease may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 51. Consent; "Includes" and "Including"; Recitals: Where Landlord consent or approval is required in this Lease, such consent or approval may be given by the City Council of the Town of Addison, Texas or by the City Manager of the Town of Addison. For purposes of this Lease, "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. The above and foregoing recitals to the Lease are true and correct and are incorporated into and made a part of this Lease for all purposes.

Section 52. Governing Law and Venue; Survivability of Rights and Remedies: This Lease and all the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas, without regard to choice of laws rules of any jurisdiction. Any and all suits, actions or legal proceedings relating to this Agreement shall be maintained in the state or federal courts of Dallas County, Texas, which courts shall have exclusive jurisdiction for such purpose. Each of the parties submits to the exclusive jurisdiction of such courts for purposes of any such suit, action, or legal proceeding hereunder, and waives any objection or claim that any such suit, action, or legal proceeding has been brought in an inconvenient forum or that the venue of that suit, action, or legal proceeding is improper. Any rights and remedies either party may have with respect to the other arising out of the performance of or failure to perform this Lease during the Term hereof shall survive the cancellation, expiration or termination of this Lease.

Section 53. Entire Agreement and Amendments; Authorized Persons: This Lease, consisting of fifty-three (53) Sections and Exhibits 1, 2, 3, 4A, 4B, 5, and Addendum #1 attached hereto, embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements, including the Mercury Original Leases that will be terminated simultaneously with the effective date of this agreement, and understandings, whether written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter hereof. Except as otherwise specifically provided herein, no agreement hereafter made shall be effective to change, modify, discharge or effect an abandonment of this Lease, in whole or in part, unless such agreement is in

writing and signed by or in behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

The undersigned representatives of the parties hereto are the properly authorized persons and have the necessary authority to execute this Lease on behalf of the respective parties hereto.

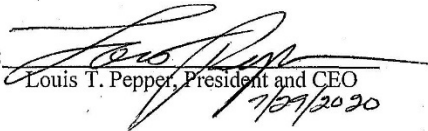
EXECUTED as of the day, month, and year first above written.

TENANT:

LANDLORD:

MERCURY AIR CENTER – ADDISON, INC.

TOWN OF ADDISON, TEXAS

By:  By: _____
Louis T. Pepper, President and CEO
7/29/2020
Wesley S. Pierson, City Manager

ACKNOWLEDGEMENTS

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 202____, by Wesley S. Pierson, City Manager of the Town of Addison, Texas, a home-rule municipality, on behalf of the said municipality.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of _____, 202____.

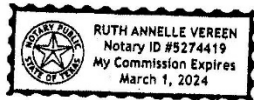
Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on July 29, 2020, by Louis T. Pepper, President of Mercury Air Center – Addison, Inc. a Texas corporation, on behalf of the said company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 29th day of July, 2020.

Ruth Annelle Vereen
Notary Public, State of Texas



**LIST OF EXHIBITS AND ADDENDUMS
TO THIS GROUND LEASE AGREEMENT**

Exhibit 1: Legal Description of Addison Airport

Exhibit 2: Legal Description (Boundary Survey) of Demised Premises

Exhibit 3: As-built Survey of Demised Premises

Exhibit 4A: Inventory of Existing Building Improvements as of Effective Date

Exhibit 4B: Description of Tenant's Capital Improvements to be Constructed

Exhibit 5: Memorandum of Lease

Addendum #1- Tenant's Leasehold Minimum Maintenance and Repair Standards and Practices

EXHIBIT 1

Legal Description of Addison Airport

Exhibit 2
Legal Description of Demised Premises

BEING a tract of land situated in the Willmet Lamsar Survey, Abstract No. 786, Dallas County, Texas, and being a part of Addison Airport, an addition to the Town of Addison, Texas according to the plat thereof recorded in Volume 2025111, Page 62 in the Map Records of Dallas County, Texas (MRDCT) and being more particularly described as follows:

COMMENCING at a cut 'x' found in concrete in the north line of Glenn Curtis, a 50 foot wide Egress/Easement established by the final plat of said Addison Airport, said beginning point also being the northwest corner of Lot 1, Block 1 of Addison Jet Center, an addition to the Town of Addison, Texas, according to the plat thereof recorded under Instrument No. 201709298616 (MRDCT);

THENCE South 23 degrees 16 minutes 32 seconds East, along the projected west line of said Lot 1, Block 1, 50.00 feet to a magnetic nail set in concrete in the south line of said Glenn Curtis and the **POINT OF BEGINNING**;

THENCE North 67 degrees 52 minutes 09 seconds East, along the south line of said Glenn Curtis, 29.22 feet to a magnetic nail set in concrete;

THENCE North 70 degrees 46 minutes 26 seconds East, continuing along the south line of said Glenn Curtis, 136.89 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE South 18 degrees 36 minutes 29 seconds East, departing the south line of said Glenn Curtis, 274.21 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the north line of Taxway T;

THENCE southwesterly, along the north line of said Taxway T the following:

South 49 degrees 13 minutes 19 seconds West, 291.87 feet to a magnetic nail set in concrete;

South 05 degrees 51 minutes 50 seconds East, 3.85 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

South 83 degrees 08 minutes 10 seconds West, 29.79 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

South 86 degrees 32 minutes 07 seconds West, 18.73 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

South 65 degrees 50 minutes 00 seconds West, 362.78 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the Object Free Area line, being 400 feet east of the runway centerline;

THENCE North 21 degrees 07 minutes 31 seconds West, along said Object Free Area line, at all times remaining 400 feet east of and parallel to said runway centerline, 663.87 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the south line of Taxway U;

THENCE North 68 degrees 54 minutes 45 seconds East, along the south line of said Taxway U, 275.09 feet to a magnetic nail set in concrete at the point of curvature of a circular curve to the left having a radius of 450.00 feet;

THENCE continuing along the south line of said Taxway U and said curve to the left, through a center angle of 17 degrees 40 minutes 25 seconds an arc distance of 151.15 feet and having a chord which bears North 60 degrees 04 minutes 32 seconds East, 150.25 feet to a cut 'x' set in concrete;

THENCE South 47 degrees 16 minutes 38 seconds East, departing the south line of said Taxway U, at 87.56 feet passing a cut 'x' found in concrete at the northwest corner of Lot 1, Block 1 of said Addison Jet Center, continuing along the west line of said Addison Jet Center, in all a distance of 240.10 feet to a 'x' nail found;

THENCE South 21 degrees 06 minutes 12 seconds East, continuing along the west line of said Addison Jet Center, 403.19 feet to **POINT OF BEGINNING** and containing 11.49 acres of land.

EXHIBIT 4A
Inventory & Description of Existing Building Improvements
as of Effective Date

Atlantic Aviation ADS – Current Atlantic Leased buildings – 6/2/2020

<p>Yellow boundary contains 500,504 Sq. Ft. Land or 11.49 acres (Hangars 108,444 SF & Offices 32,514 SF)</p> <p>(i) 4400 Glenn Curtiss (Property #0430 ALP #A7): Hangar 26,000 SF, FBO 22,310 SF. Built 1985. Land 124,873 SF</p> <p>(ii) 4451 Glenn Curtiss (Property #0440 ALP #A8): Hangar 15,242 SF and offices 1,884 SF. Built 1964. Land 279,519 SF.</p> <p>(iii) 4453 Glenn Curtiss (Property #0440 ALP #A9): Hangar 32,500 SF, Offices 8,320 SF. Built 1964. Land included w/ A8</p> <p>(iv) 4480 Glenn Curtiss (Property #0400 ALP #T7): Hangar 13,736 SF. Built 1980. Land 28,358 SF.</p> <p>(v) 4530 Glenn Curtiss (Property #0420 ALP #T3): Hangar 4,030 SF. Built 1979. Land 13,575 SF.</p> <p>(vi) 4532 Glenn Curtiss (Property #0410 ALP #T1): Hangar 10,336 SF. Built 1979. Land 28,937 SF.</p> <p>(vii) 4540 Glenn Curtiss (Property #0390 ALP#T5 Hangar 6,600 SF. Built 1979. Land 25,244 SF.</p>	

Exhibit 4B
Description of "Tenant's Capital Improvements" to be Constructed
Pursuant to this Ground Lease Agreement

Atlantic Aviation ADS _ Proposed development phases – 6/2/2020

	<p>Extended Term #3: Scope of work completes the renovation of "Hangar 3" located at 4453 Glenn Curtiss + demolishes the existing building improvements located at 4532 and 4530 Glenn Curtiss and, in their place construct new off-street vehicle parking to support Tenant's ongoing FBO operations. Minimum spend: \$2,500,000 US. Completion: No later than 13 years following the Commencement Date Term Extension: Additional five-years beyond the Extended Term # 2.</p>
<p>Extended Term #2: Scope of work: Completes the planned renovation and refurbishment of the FBO terminal located at 4400 Glenn Curtiss + 203,000 square feet of aircraft apron repair and replacement. Minimum spend: \$5,500,000 US. Completion: No later than 7 years following the Commencement Date. Term Extension: Additional fifteen-years beyond the Extended Term # 1.</p>	<p>Extended Term #1: Scope of work: Demolition of building A8 located at 4451 Glenn Curtiss + constructs a new jet hangar in its place. Minimum spend: \$6,000,000 US. Completion: No later than 48 months following the Commencement Date Term Extension: Additional thirteen-years beyond the Base Term</p>

EXHIBIT 5

Form of Memorandum of Lease

AFTER RECORDING RETURN TO:

Addison Airport Management
c/o Real Estate Manager
16051 Addison Road, Suite 220
Addison, Texas 75001

MEMORANDUM OF LEASE

This Memorandum of Lease is dated as of _____, 20__, and executed by and between the Town of Addison, Texas, a home-rule municipality ("Landlord" or "City") and Mercury Air Center – Addison, Inc., a Texas corporation ("Tenant"). Capitalized terms not otherwise defined in this Memorandum will have the same meaning ascribed to such terms in the Ground Lease.

WHEREAS, a Ground Lease was executed on _____, 2019 (the "Ground Lease") between Landlord and Tenant wherein Landlord leased to Tenant and Tenant leased from Landlord a certain parcel of land owned by the City and located at and within Addison Airport ("Airport"), more fully described in Exhibit "A" attached hereto and made a part hereof, and in that certain boundary survey dated _____, which property is now commonly referred to as [Street Address(es)] Addison Road; and

WHEREAS, the Term of the Ground Lease begins on the Commencement Date and continues for _____ () full calendar months; and

WHEREAS, the address of Landlord as set forth in the Ground Lease is:

Town of Addison, Texas
c/o City Manager
5300 Belt Line road
Dallas, Texas 75254

and

Town of Addison, Texas
c/o Addison Airport Manager
16051 Addison Road, Suite 220
Addison, Texas 75001
Attn: Real Estate Manager

and;

WHEREAS, the address of Tenant as set forth in the Ground Lease is:

Mercury Air Center – Addison, Inc.
dba Atlantic Aviation
Attn: Louis T. Pepper, CEO
5201 Tennyson Pkwy., Suite 150
Plano, Texas 75024

And

Al Archuleta,
Regional Manager
Atlantic Aviation Services
7930 Airport Blvd.
Houston, Texas 77061
Al.Archuleta@atlanticaviation.com

NOW THEREFORE, this Memorandum of Lease is solely for recording and notice purposes and shall not be construed to alter, modify, expand, diminish, or supplement the provisions of the Ground Lease, as amended. In the event of any inconsistency between the provisions of this Memorandum of Lease and the provisions of the Ground Lease, as amended, the provisions of the Ground Lease, as amended, shall govern. Reference should be made to the Ground Lease (and all amendments thereto) for the full description of the rights and duties of Landlord and Tenant thereunder, and this Memorandum of Lease shall in no way affect the terms and conditions of the Ground Lease (including all amendments thereto) or the interpretation of the rights and duties of Landlord and Tenant thereunder.

IN WITNESS WHEREOF, the undersigned parties have executed this Memorandum of Lease on the day and the year first set forth above.

Tenant: Mercury Air Center- Addison, Inc.

Landlord: Town of Addison, Texas

By: _____

By: _____

Printed Name: _____

Wesley S. Pierson, City Manager

Title: _____

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared _____, _____ of Mercury Air Center – Addison, Inc., a Texas corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this _____ day of _____, 20__.

[SEAL]

By: _____
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Wesley S. Pierson, city manager of the Town of Addison, a home-rule municipality, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this _____ day of _____, 20__.

[SEAL]

By: _____
Notary Public, State of Texas

Exhibit A
To Memorandum of Ground Lease
Legal Description of Demised Premises

BEING a tract of land situated in the William Lomas Survey, Abstract No. 796, Dallas County, Texas, and being a part of Addison Airport, an addition to the Town of Addison, Texas according to the plat thereof recorded in Volume 2005131, Page 82 in the Map Records of Dallas County, Texas (MRCRT) and being more particularly described as follows:

COMMENCING at a cut 'x' found in concrete in the north line of Glenn Courts, a 50-foot wide ingress/egress easement established by the first plat of said Addison Airport, said beginning point also being the northwest corner of Lot 1, Block 1 of Addison Jet Center, an addition to the Town of Addison, Texas, according to the plat thereof recorded under instrument No. 2016002965 in MRCRT;

THENCE South 21 degrees 06 minutes 32 seconds East, along the projected west line of said Lot 1, Block 1, 50.00 feet to a magnetic nail set in concrete in the south line of said Glenn Courts and the **POINT OF BEGINNING**;

THENCE North 68 degrees 52 minutes 29 seconds East, along the south line of said Glenn Courts, 30.12 feet to a magnetic nail set in concrete;

THENCE North 70 degrees 46 minutes 26 seconds East, 400.00 feet along the south line of said Glenn Courts, 156.46 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE South 10 degrees 36 minutes 29 seconds East, departing the south line of said Glenn Courts, 274.21 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the north line of "Airway 1";

THENCE southwesterly, along the north line of said "Airway 1" the following:

South 69 degrees 19 minutes 19 seconds West, 691.67 feet to a magnetic nail set in concrete;

South 06 degrees 01 minutes 59 seconds East, 0.85 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

South 03 degrees 00 minutes 10 seconds West, 29.79 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

South 06 degrees 32 minutes 07 seconds West, 18.79 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

South 66 degrees 50 minutes 00 seconds West, 362.76 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" on the Object Free Area this being 400 feet east of the runway centerline;

THENCE North 21 degrees 07 minutes 31 seconds West, along said Object Free Area line, at all times remaining 400 feet east of and parallel to said runway centerline, 863.67 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the south line of "Airway 1";

THENCE North 68 degrees 54 minutes 45 seconds East, along the south line of said "Airway 1", 275.09 feet to a magnetic nail set in concrete at the point of curvature of a circular curve to the left having a radius of 490.00 feet;

THENCE continuing along the south line of said "Airway 1" and said curve to the left, through a central angle of 17 degrees 40 minutes 25 seconds an arc distance of 154.15 feet and having a chord which bears North 60 degrees 04 minutes 32 seconds East, 150.55 feet to a cut 'x' set in concrete;

THENCE South 47 degrees 16 minutes 38 seconds East, departing the south line of said "Airway 1", at 37.56 feet passing a cut 'x' found in concrete at the northwest corner of Lot 1, Block 1 of said Addison Jet Center, continuing along the west line of said Addison Jet Center, in all a distance of 340.16 feet to a "PX" nail found;

THENCE South 21 degrees 04 minutes 22 seconds East, continuing along the west line of said Addison Jet Center, 403.18 feet to **POINT OF BEGINNING** and containing 14.49 acres of land.

Lease Addendum #1

Tenant's Leasehold Minimum Maintenance and Repair Standards and Practices

I. Purpose: Pursuant to Section 11 (or elsewhere as provided for) of the Lease¹ the Tenant is required to maintain the Demised Premises and all improvements, fixtures, equipment and personal property thereto in "good repair and in a first class condition" and in accordance with all applicable ordinances, codes, rules and regulations of or adopted by the City of Addison or any regulating agency with oversight of any or all portions of the Demised Premises throughout the Term as it may be extended or otherwise amended.

Additionally, Section 28 entitled Title to Improvements provides, among other things, Tenant shall own and hold title to any building improvements constructed on the Demised Premises and upon the expiration or early termination of the ownership of said building improvements, said building improvements shall merge with the title of the Demised Premises and become the property of the Landlord. Landlord may, at Landlord sole discretion, elect Tenant to: (i) deliver to Landlord the Demised Premises clean and free of trash and in good repair and condition in accordance with these Tenant's Leasehold Minimum Maintenance and Repair Standards and Practices together with all fixtures and equipment situated in the Demised Premises with reasonable wear and tear excepted.; or (ii) prior to the expiration or early termination of the Term, demolish and remove or cause to be removed from the Demised Premises all building improvements together with any fixtures or equipment remaining and restore the Demised Premises to reasonably the same condition it was found immediately prior Tenant's taking possession of the Demised Premises as of the Effective Date. Such demolition and removal shall be performed at Tenant's sole cost and risk in accordance with all prevailing ordinances, codes, rules, and regulations governing same.

Therefore, these Tenant's Leasehold Minimum Maintenance and Repair Standards and Practices ("Maintenance Standards") hereby set forth in general the minimum level of standard of maintenance and repair or practice the Landlord expects of Tenant and Tenant (or any of its successors and, or assigns) agrees to be obliged in order to comply with the terms and conditions of the Lease.

II. Governing Standard or Practice: Section 8.A. of the Lease states the Tenant agrees to comply with all laws, ordinances, rules, regulations, directives, permits, policies or standards of any governmental authority, entity, or agency affecting the use of the Demised Premises; and any "Construction/Maintenance Standards and Specifications" published by Landlord or its Airport Manager governing such matters at Addison Airport. Section 11.B. of the Lease states "Should there ever arise a conflict between the degree of standard or duty to practice any such standard or practice between [these Maintenance Standards] and any new construction and maintenance and

¹ All capitalized terms used in these Tenant's Minimum Leasehold Maintenance Standards and Procedures are as used and defined in the underlying Lease unless otherwise defined herein.

repair standard so adopted by the Landlord, the standard and/or practice representing the higher or greater degree of standard and/or practice shall prevail as if such higher degree of standard and/or practice is incorporated into and made a part of these [Maintenance Standards].

III. Terminology Used: Unless otherwise provided herein, the definition and/or the description of certain terms used or referred to below shall be the same as defined in the Lease or ASTM International Standard E2018-15² (as it may be amended or modified from time to time or its equivalence as generally accepted by the United States commercial real estate industry at the time).

For the purpose herein the standard being in “*good repair and in first-class condition*” generally means when the building component or system is serving its designed function, is of working condition and operating well, shows evidence of being well taken care of and does not require immediate or short-term repairs above its *de minimis* threshold or does not evidence a material physical deficiency.

Building System – Interacting or independent components or assemblies, which form single integrated units that comprise a building and its site work, such as pavement and flatwork, structural frame, roofing, exterior walls, plumbing, HVAC, electrical, etc. (ASTM E2018-15).

Component – A portion of a building system, piece of equipment, or building element (ASTM E2018-15).

Deferred Maintenance – Physical deficiencies that could have been remedied with routine maintenance, normal operating maintenance, etc., excluding *de minimis* conditions that generally do not present a material physical deficiency to the subject property (ASTM E2018-15).

Effective Age – The estimated age of a building component that considers actual age as affected by maintenance history, location, weather conditions, and other factors. Effective Age may be more or less than actual age (ASTM E2018-15).

Engineer: Designation reserved by law for a person professionally qualified, examined, and licensed by the appropriate governmental board having jurisdiction, to perform engineering services (ASTM E2018-15).

Expected Useful Life – The average amount of time in years that an item, component, or system is estimated to function without material repair when installed new and assuming routine maintenance is practiced (ASTM E2018-15).

Fair Condition – To be found in working condition but may require immediate or short-term repairs above the *de minimis* threshold of not evidencing a material physical deficiency (ASTM E2018-15).

Normal Wear and Tear - Defined as deterioration that results from the intended use of the commercial premises, including breakage or malfunction due to age or deteriorated condition, but the term does not include deterioration that results from negligence, carelessness, accident or abuse

² ASTM Designation E2018-15; November 2015 ASTM International, 100 Barr Harbor Drive, PO Box C700, West Conshohocken PA 19428-2929, United States

of the premises, equipment or chattels by the Tenant, by a guest or invitee of the Tenant (Section 93.006[b]); Chapter 93 of the Texas Property Code entitled "Commercial Tenancies"

Physical Deficiency (ies) – The presence of a conspicuous defect or defects and/or material deferred maintenance of a subject property's material systems, components, or equipment as observed. Specifically excludes deficiencies that may be remedied with routine maintenance, miscellaneous minor repairs, normal operating maintenance, etc. (ASTM E2018-15).

Poor Condition – Found not to be in working condition or requires immediate or short-term repairs substantially above the *de minimis* threshold of not evidencing a material physical deficiency (ASTM E2018-15).

Routine Maintenance - Repair that does not require specialized equipment, professional services, or licensed contractors but, rather can be corrected within the budget and skill set of typical property maintenance staff (ASTM E2018-15).

IV. Baseline Property Condition Assessment: Beginning on or about the tenth (10th) anniversary but no later than the twelfth (12th) anniversary of the Term, Tenant shall procure, at the sole cost of Tenant, a Property Condition Assessment baseline report (PCA) to be prepared, written and signed by a licensed professional engineer qualified to assess the condition of the Demised Premises and all Building Improvements, fixtures and equipment made a part thereto pursuant to the then-operative version of ASTM International Standard Designation E2018 as of the date the PCA is performed. If at that time, for any reason, ASTM International no longer publishes standards for conducting property condition assessments for commercial real estate in the United States, Landlord and Tenant shall mutually agree to adopt another similar standard of practice to be performed by qualified third Parties recognized and accepted by the commercial real estate industry in the United States.

For any portion of the Demised Premises designed and constructed with the intent to be used for the storage and movement of aircraft, the PCA shall also include an aircraft pavement condition assessment performed for such areas in accordance with FAA Advisory Circular 150/5380-7A "Airport Pavement Management Program" and ASTM Standard Designation D5340 "Standard Test Method for Airport Pavement Condition Index Surveys" (or their respective operative standard in effect at the time of the PCA report date) (the "Pavement Standards"). If no such standard exists at the time, the pavement condition assessment shall be performed based on prevailing industry standards as of the date of the assessment.

A. Within thirty (30) days of the published date of the PCA report Tenant shall deliver to Landlord a complete signed original copy of the PCA report together with the aircraft pavement condition assessment, if any, together with:

(1.) "**Tenant's Remedy Plan**", a written plan prepared by Tenant itemizing and given in sufficient detail Tenant's plan to remedy and cure, at Tenant's sole cost and expense, any and all Physical Deficiencies and, or Deferred Maintenance matters identified and communicated in the PCA report. Tenant's Remedy Plan shall indicate, among other things, that all work will be completed in a good and workman like condition pursuant to

all local building codes and ordinances as required by the Lease within one hundred and eighty (180) calendar days from the date of the PCA's published report date (the "Remedy Period") unless otherwise agreed to in writing by Landlord.

(a.) If the pavement condition index (PCI), as defined in the Pavement Standards, reflects a score less than 70 (or its equivalence) the Tenant's Remedy Plan shall set forth in sufficient detail Tenant's intended remedy and cost estimate necessary to increase the aircraft pavement PCI score to a minimum of 70 within the Remedy Period.

(b.) In the event the PCA recommends supplemental testing or evaluation of any building component including, but not limited to, structural, building envelope, roofing, HVAC, plumbing, electrical, fire alarm and suppression, elevator, hangar door and/or door operators, environmental, pavement and ADA, Tenant's Remedy Plan shall reflect Tenant's plan to complete such supplemental investigations as recommended within the Remedy Period.

(2.) "**Tenant's Facility Maintenance and Repair Plan**" (or "Maintenance Plan") which sets forth in sufficient detail Tenant's stated itemized objectives to maintain and keep all building components and systems, pavement and landscaped areas in good condition and repair together with any planned capital repairs, including those cited in the PCA report and any capital improvements planned within the next ten (10) years following the PCA published report date. Additionally, the Maintenance Plan should include but not be limited to the following:

(a.) Tenant's schedule and checklist for periodic self-inspection of all major building components and systems on annualized basis.

(b) Tenant shall periodically update the Maintenance Plan to reflect scheduled repairs made together with itemized repair costs given, new conditions found as a result of Tenant's periodic self-inspections and Tenant's plan to maintain or repair said condition.

B. If Tenant fails to deliver to Landlord a complete signed original Baseline PCA Report, Tenant's Remedy Plan and Tenant's Facility Maintenance and Repair Plan as required herein. Landlord may provide written notice thereof to Tenant. Tenant shall have sixty (60) days after receipt of such notice to provide such report or plan. Tenant's failure to provide the documentation required herein shall be considered an event of default of the Lease. Tenant's failure to promptly remedy any Physical Deficiency (ies) identified and communicated in any PCA report as required herein is also considered an event of default under the Lease. In the event of such default(s), in addition to all other rights and remedies available to Landlord under the Lease and by law, Landlord may, but not be obligated to, cause such reports and plans to be prepared and implemented as deemed commercially reasonable; and all reasonable costs therefore expended by Landlord plus interest thereon as provided for in Section 39 of the Lease shall be paid by Tenant upon demand.

V. Requirement for Subsequent Baseline Property Condition Report Updates, Tenant Remedy Plan Updates and Tenant's Facility Maintenance and Repair Plan Updates:

A. Upon each ten (10) year anniversary of the Term (but not later than two (2) years after each 10-year anniversary) Tenant shall procure, at its sole cost and expense, a PCA update (including aircraft pavement condition assessment) with the subsequent PCA report being of similar form and scope as the initial baseline PCA outlined above. Consideration should be given to the age of all building components and whether any special assessments might be warranted. Within thirty (30) days of the published date of the subsequent PCA report, Tenant shall deliver to Landlord a complete signed original of the subsequent PCA report together with the aircraft pavement condition assessment findings. Simultaneously, Tenant shall deliver to Landlord its Tenant Remedy Plan setting forth Tenant's itemized and detailed plan for remedying and curing all Physical Deficiencies and/or Deferred Maintenance matters identified and communicated in the subsequent PCA report. Similarly, Tenant shall also deliver to Landlord Tenant's Facility Maintenance and Repair Plan updated to reflect the most recent subsequent PCA report findings and recommendations.

B. With no more than seventy-two (72) and no less than sixty (60) months remaining until the Lease Expiration Date, Tenant shall procure, at its sole cost and expense, a final PCA report (including aircraft pavement condition assessment) with the final PCA report being of similar form and scope as the initial baseline PCA outlined above (the "Final PCA Report"). Consideration should be given to the age of all building components and whether any special assessments might be warranted. Within thirty (30) days of the published date of the Final PCA Report, Tenant shall deliver to Landlord a complete signed original of the Final PCA Report together with the aircraft pavement condition assessment findings. Simultaneously, Tenant shall deliver to Landlord its Tenant Remedy Plan setting forth Tenant's itemized and detailed plan for remedying and curing all Physical Deficiencies and/or Deferred Maintenance matters identified and communicated in the Final PCA Report. Similarly, Tenant shall also deliver to Landlord Tenant's Facility Maintenance and Repair Plan updated to reflect the Final PCA Report findings and recommendations which are to be implemented through the Lease Expiration Date.

VI. Qualification of Property Condition Reviewer: The qualifications of a third-party consultant performing or overseeing the PCA shall be:

- Licensed in the state of Texas as a professional architecture or engineer;
- Demonstrated experience working with general aviation type properties;
- Having working knowledge of relevant FAA Advisory Circulars and ASTM Standards relating to facility and pavement maintenance and survey standards affecting the subject property type and scope (size and complexity, etc.); and
- Experience preparing property condition reports.

VII. Record Retention: Throughout the Term Tenant shall diligently gather and retain in an orderly manner all documentation affecting and relating to the Building Improvements and any fixtures or equipment made a part of the Demised Premises. To the extent possible the Tenant shall retain digital copies of all such documentation, which can be easily reviewed, inspected, and

sourced. All such documents are to be made available to each consultant assigned to perform the property condition assessment and pavement condition analysis. Such documents to be retained should include but not be limited to:

- Site plan – updated as necessary.
- Property Survey – updated as necessary to reflect any changes to the leased premises.
- Construction and “as-built” drawings together with written building specifications.
- Certificate of Occupancy and building permits.
- Building Owner’s Manual received from the General Contractor
- Pavement Condition Assessment Reports (aircraft apron and other)
- Insurance casualty claims and adjustment reports affecting the Building Improvements
- Description of future/planned material improvement or repairs.
- Outstanding notices and citations for building, fire, and zoning code and ADA violations
- Previously prepared, if any, Property Condition Assessment reports or engineering testing and surveys pertaining to any aspect of the subject property’s physical condition.
- Lease listing literature, listing for sale, marketing/promotional literature such as photographs, descriptive information, reduced floor plans, etc.
- Periodic inspection reports (self or third-party) and supporting documentation.
- Irrigation Plans, updated as needed
- Operating manuals, instructions, parts lists

VIII. Reversionary Process (at Lease Expiration or Early Termination): Pursuant to the terms and conditions of the Lease, unless otherwise amended or modified the Lease is due to expire at the end of the Lease Expiration Date at which time any and all Building Improvements and any subsequent improvements and alterations made thereto as defined in the Lease revert and become under the ownership of the Landlord. If Tenant is not then in default of the Lease, Tenant shall have the right to remove all personal property and trade fixtures owned by the Tenant from the Demised Premises, but Tenant shall be required to repair any damage to the Demised Premises caused by such removal, which work shall be conducted in a good and workmanlike manner and at Tenant’s sole cost and expense.

Accordingly, in order to facilitate an orderly transfer of all the ownership interests of the Demised Premises, Tenant shall deliver or cause to be delivered to Landlord all of the following on or before the Expiration Date, or earlier termination of the Lease:

A. Tenant's Representations: Tenant shall certify and attest in writing, in a form acceptable to Landlord:

(1.) Tenant conveys to Landlord in good and indefeasible title all the Building Improvements free and clear of any and all liens, assessments, easements, security interests and other encumbrances; and

(2.) There are no lessees or sub-lessees in possession of any portion of the Building Improvements, tenants at sufferance or trespassers; and

(3.) There are no mechanic's liens, Uniform Commercial Code liens or unrecorded liens against the Building Improvements, and all obligations of Tenant arising from the ownership and operation of the Demised Premises and any business operated on the Building Improvements including but not limited to taxes, leasing commissions, salaries, contracts, and similar agreements, have been paid or will be paid before the Expiration Date; and

(4.) There is no pending or threatened litigation, condemnation, or assessment affecting the Building Improvements; and

(5.) Tenant has disclosed to Landlord any and all known conditions of a material nature with respect to the Building Improvements which may affect the health or safety of any occupant of the Demised Premises. Except as disclosed in writing by Landlord or Tenant, the Improvements have no known latent structural defects or construction defects of a material nature, and none of the improvements has been constructed with materials known to be a potential health hazard to occupants of the Building Improvements; and

(6.) Except as otherwise disclosed in writing by Tenant to Landlord, the Building Improvements does not contain any Hazardous Materials other than lawful quantities properly stored in containers in compliance with applicable laws. For the purpose herein, "Hazardous Materials" means any pollutants, toxic substances, oils, hazardous wastes, hazardous materials or hazardous substances as defined in or pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, as amended, the Clean Water Act, as amended, or any other federal, state or local environmental law, ordinance, rule, or regulation, whether existing or subsequently enacted during the Term.

B. Any rental and monies due under the Lease unless paid in full; and

C. A Bill of Sale conveying personal property remaining or left on the Demised Premises, if any, free and clear of liens, security interest and encumbrances; and

D. All plans, drawings and specifications respecting the Building Improvements, including as-built plans and specifications, landscape plans, building system plans (HVAC, Telecom/Data, Security System, plumbing) air-conditioning in Tenant's possession or control; and

E. Inventory with corresponding descriptions and identification of all keys, lock combinations, access codes and other such devices or means to access every securable

portion, compartment, cabinet, panel, closet, gate or point of entry within the Demised Premises; and

- F. All soil reports, engineering and architectural studies, grading plans, topographical maps, feasibility studies and similar information in Tenant's possession or control relating to the Demised Premises; and
- G. A list and complete copies of all current service contracts, maintenance contracts, management contracts, warranties, licenses, permits, operating agreements, reciprocal easement agreements, maps, if any, applicable to the Demised Premises, certificate of occupancy, building inspection approvals and covenants, and conditions and restrictions respecting the Demised Premises; and
- H. Copies of all utility bills (electric, water/sewer and gas) and similar records respecting the Building Improvements for the past three (3) months; and
- I. A schedule of all service contracts, agreements and other documents not expressly referenced herein relating to the Demised Premises.

End

Atlantic Aviation Ground Lease

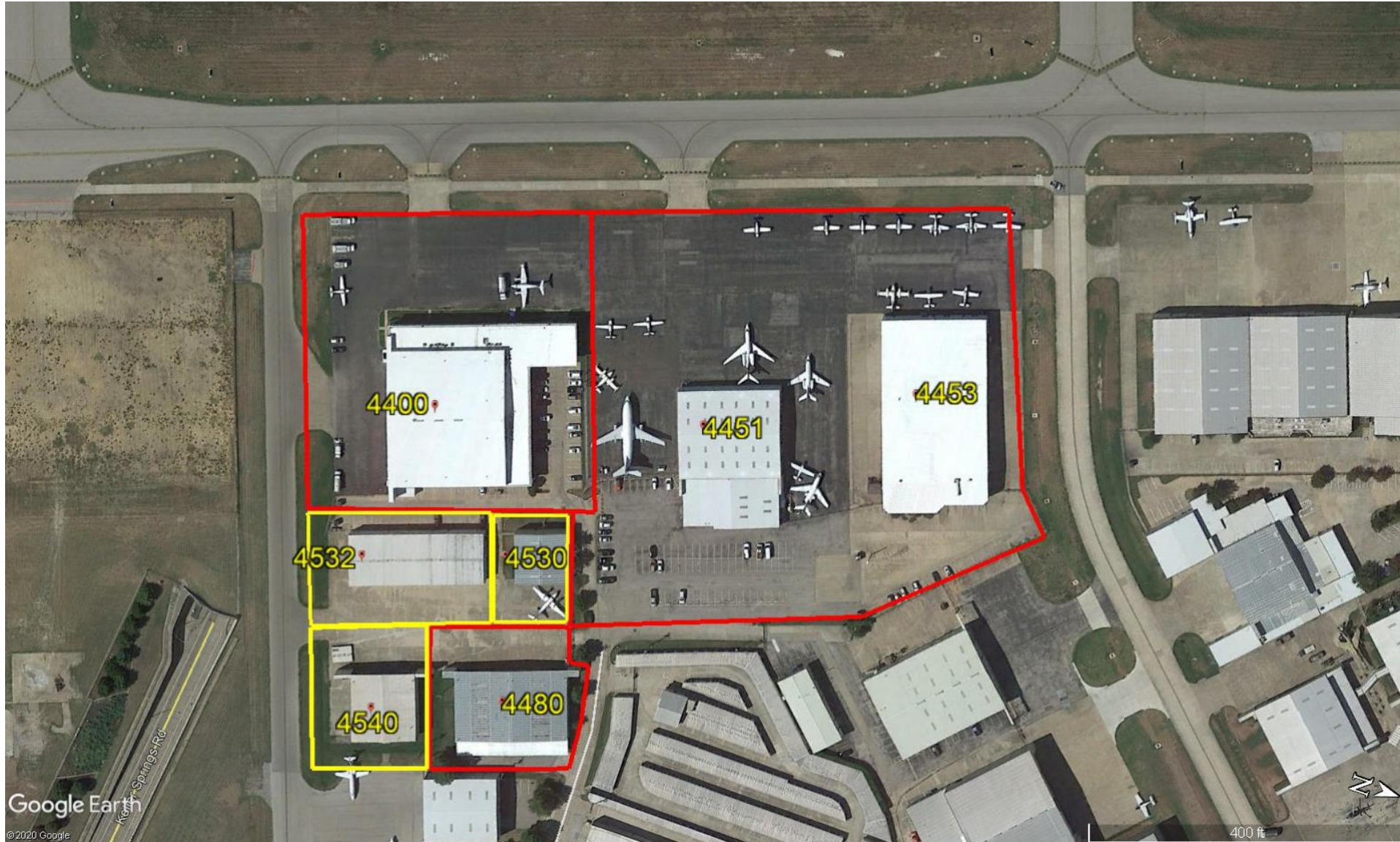
July 14, 2020

The logo for ADDISON, featuring the word "ADDISON" in a bold, blue, sans-serif font centered within a white circle. The circle is set against a blue background that is part of a larger graphic design on the right side of the slide, which includes a white diagonal line and a grey triangular corner.

- Party
 - Mercury Air Center – Addison, Inc. (Doing business as Atlantic Aviation)
 - Consolidating 2 ground leases, 1 long-term commercial lease and 3 short-term commercial leases to a single 40-year ground lease
- Area
 - 11.5 acres of airport land
 - 6 parcels already improved with Fixed Base Operator (FBO) terminal and 7 aircraft hangars w/ 200K Square Feet of apron
- Lease Term
 - Base Term - 7 years
 - 3 Term Extension Options up to 40-years with a minimum \$14 million capital investment
- Lease Rate
 - Ground Rent \$1.235/Square Feet of Land

Overview

ADDISON



Summary of Ground Lease Proposal

- Base Ground Rental begins at \$1.235/SFL
 - Rate represents \$.725/SF land plus \$.505/SFL in residual value and accrued interest over term
 - \$615,620 annual rental subject to biennial CPI adjustment
- Atlantic to expend a minimum \$14M in new capital investment
- Extended Term #1: 7 Year Base Term (2027) plus 13-years (until 2040) upon completion of \$6M on new executive jet hangar to be completed 4-years following commencement date (2024)
- Extended Term #2: Extended Term #1 plus 15-years (until 2055) upon completion of \$5.5M renovation of FBO terminal and new apron by end of 2027
- Extended Term #3: 5-years (until 2060) upon completion of \$2.5M renovation of hangar and off-street parking by end of 2033

Benefits to the Town of Addison

- Retains Atlantic Aviation, largest FBO in country, at Addison Airport
- Shifts capital and market risk from Airport to Atlantic
- In addition to ground rent, amortizing reversion value substantially increases Airport revenue over the term
- Significantly improves the quality of the aeronautical facilities with private capital
- Increase Town tax base by converting exempted Town-owned assets to taxable assets
- Consistent with 2013 Strategic Plan and 2016 Airport Master Plan

Recommendation

- Staff recommends that the Council approve the Atlantic Ground Lease as proposed and authorize the City Manager to execute the Ground Lease and other such documents necessary to the transaction
- The City Attorney has reviewed the Ground Lease and other such agreements and find them acceptable for the Town's purposes

Questions

ADDISON



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bill.dyer@addisonairport.net

- M E M O R A N D U M -

To: Ashley Mitchell, Deputy City Manager

From: Bill Dyer, Airport Real Estate Manager

CC: Joel Jenkinson, Airport Director

Date: June 19, 2020

Re: A Request for the Consideration and Consent of the Town of Addison for a Proposed Ground Lease with Mercury Air Center – Addison, Inc. d.b.a. Atlantic Aviation FBO at Addison Airport, Texas

Requested Action:

Mercury Air Center – Addison, Inc., d.b.a. Atlantic Aviation, ("Mercury") is requesting the Town of Addison's consent to a proposed ground lease agreement (the "Ground Lease"), which includes 11.49 acres of airport land located in the vicinity of 4400 Glenn Curtiss Drive at Addison Airport. The premises subject to the lease are currently improved with seven building structures, totaling 108,509 building square feet (BSF) of aircraft hangar space and 32,514 BSF of office/shop space.

The proposed Ground Lease has a base term of seven years with three consecutive lease-term extension options (described in more detail below) providing an additional 23 years for a maximum lease term not to exceed the 40-year statutory limit.

Airport Management recommends the City Council give its consent to the proposed Ground Lease and authorize the City Manager to execute the Ground Lease and other related documents necessary to fully consummate the transaction as advised by the City Attorney. The City Attorney has reviewed the proposed Ground Lease and related documents and finds each acceptable to form for the City's purposes.

Background Information:

Mercury Air Center – Addison, Inc., d.b.a. Atlantic Aviation, is one of two operating fixed based

operators (FBOs) currently licensed to sell fuel to the aviation public at Addison Airport.¹ Mercury's current leasehold consists of two ground leases and one commercial office/hangar lease agreement, each subject to a long-term term and are practically coterminous to one another (Mercury's "Primary Leasehold"). The three leases are due to expire between June 2021 and June 2022. Mercury's Primary Leasehold includes the land and buildings located at 4451, 4453, 4480, and 4400 Glenn Curtiss (within the red boundary drawn in the aerial below). The agreements originated between 1981 and 1996 by and between Town of Addison and Beech Holdings, Inc./Three River Gypsum, Inc and were assigned by Beech Holdings/Three River Gypsum to California-based Mercury Air Group, Inc. in 1996. In 2007, Macquarie FBO Holdings, a wholly owned subsidiary of Macquarie Infrastructure Company Trust (NYSE – MIC), acquired all the assets of Mercury Air Center Group (approximately 20 domestic FBOs) and merged the Mercury assets with Macquarie's existing FBO holdings that operate as Atlantic Aviation FBOs. Atlantic Aviation currently operates 70 FBO locations nationwide, including the Mercury Air Group facilities.



Figure 1 Mercury's Primary Leasehold outlined in red. The city-owned hangars, subject to short-term leases, are outlined in yellow.

In addition to the above-described Primary Leasehold, Mercury also commercially leases three city-owned aeronautical facilities located at 4540, 4352, and 4530 Glenn Curtiss subject to one-year lease terms at prevailing market rental rates ranging between \$6.00 to \$7.06 per building square foot.

¹ Million Air Dallas is the second operating FBO. Galaxy FBO is currently under construction and is expected to begin operations mid-calendar year 2021.

In total, Mercury currently leases 11.49 acres of airport land improved with 108,000 BSF of office and aircraft hangar improvements. Mercury currently pays \$664,000 in annual rental to the Airport in 12 monthly installments of \$55,300, subject to periodic adjustments tied to changes in the consumer price indices.

As of **6/1/2020**

Lease #/ Ramp Address	Primary Leasehold			Short-term Leasehold			Total
	0440-Combo (A8-A9)	0400-21 (T-7)	0430-24 (A-7)	#0390-11 (T5)	#0410 (T1)	#0420-30 (T3)	
Street Address	4451 & 4453 Glenn Curtiss Dr.	4480 Glenn Curtiss Dr.	4400 Glenn Curtiss Dr.	4540 Glenn Curtiss Dr.	4352 Glenn Curtiss Dr.	4530 Glenn Curtiss Dr.	
Land Area	279,519	28,358	124,873	25,244	28,937	13,573	500,504
Hangar Area	47,742	13,736	26,000	6,600	10,335	4,096	108,509
Office Shop	10,204	-	22,310	-	-	-	32,514
Total Building Area	57,946	13,736	48,310	6,600	10,335	4,096	141,023
Year Built	1964/1988	1980	1985	1979	1979	1979	
Dedicated Ramp (approx.)	123,720	8,748	52,200	4,500	12,132	4,600	205,900
Lease Type	Ground Lease	Ground Lease	Commercial	Commercial	Commercial	Commercial	
Lease Commenced	7/1/1982	6/30/1981	4/1/1996	9/19/2016	5/6/2019	9/9/2019	
Lease Expiration	6/30/2022	6/30/2021	9/30/2021	9/30/2020	2/28/2021	2/28/2021	
Years Remaining	2.08	1.08	1.33	0.33	0.74	0.74	
Currently Monthly Rent	\$6,597	\$1,045	\$36,333	\$3,885	\$5,160	\$2,314	\$55,334
Current Annual Rent	\$79,167	\$12,543	\$435,994	\$46,620	\$61,920	\$27,767	\$664,010
Annual Rent /BSF	\$1.37	\$0.91	\$9.02	\$7.06	\$5.99	\$6.78	\$4.71
Annual Rent /SFL	\$0.28	\$0.44	\$3.49	\$1.85	\$2.14	\$2.05	\$1.33

Note: all areas and dimensions are estimated and subject to verification by the user.

Summary of Proposed Ground Lease Terms:

Mercury approached airport management staff with its proposal to early terminate each of the above-described lease agreements in favor of a new single 40-year term ground lease. The initial lease term (or "Base Year Term") would be seven years. Mercury has the option to extend the lease term as follows:

Extension Term #1 – Provided Mercury completes,² within the first four years of the lease term, the demolition of the hangar located at 4451 Glenn Curtiss and constructs a new executive hangar in the same location to be larger and with a 28' hangar door clearance with a minimum capital investment of \$6 million, the Based Lease Term would be extended an additional 13 years or until 2040³.

Extension Term #2 – Provided Mercury also completes, within the first seven years of the lease term, the renovation of their main terminal building located at 4400 Glenn Curtiss and

² "Complete" is defined in the lease agreement as substantial completion or upon the issuance of a certificate of occupancy. Therefore, the improvements must be started and substantially completed prior to the stipulated deadline.

³ The Base Term and the extension dates are assuming an 8/1/2020 lease commencement date.

reconstructs 203,000 square feet of aircraft apron with a minimum capital investment of \$5.5 million, the already-modified Lease Term would be extended an additional 15-years or until 2055.

Extension Term #3 – Provided Mercury completes, within the first 13 years of the lease term, the renovation of the hangar at 4453 Glenn Curtiss and construct off-street parking improvements where the hangars at 4532 and 4530 now stand with a minimum capital investment of \$2.5 million, the modified Lease Term would be extended an additional five years or until 2060.

In total, Mercury may extend their initial seven-year lease term an additional 33 years on the condition it expends \$14 million in new capital investment in its existing facilities within the first 13 years of the lease term. Mercury may complete the phased improvements any time before the prescribed completion date. Should Mercury fail to complete the improvements as required, including the stipulated minimum capital investment, Mercury shall forego the extension and all subsequent extension options.

Other Terms and Conditions: The other terms and conditions of the Ground Lease are generally consistent with the Town's prevailing ground lease terms including Addendum #1: "*Tenant's Leasehold Minimum Maintenance and Repair Standards and Practices*" adopted by the Town in 2018.

Other salient terms and condition of the proposed ground lease include:

1. **Effective Date:** The date the ground lease agreement is executed by the Town.
2. **Commencement Date:** The first day of the calendar month following the Effective Date.
3. **Expiration Date:** Base Term is seven years from the Commencement Date or until 2027, subject to three extension options outlined above.
4. **Demised Premises:** 11.49 acres as described in Exhibit 3 – Property Survey prepared by Sparr Surveys dated March 19, 2020.
5. **Title to Building Improvements:** Mercury will hold title to all building improvements made to the Demised Premises throughout the Term.
6. **Base Rental:** The annual ground rental is \$1.23 per square foot of gross land area within the Demised Premises or \$615,620 (500,504 SFL x \$1.23), due payable in 12 equal monthly installments of \$51,302 with the first installment due on or before the Commencement Date and then the first day of each calendar month thereafter.
7. **Adjustment of Rent:** The Base Rent is subject to biennial adjustments (every two years) based upon the percentage change in the Consumers' Price Index as defined in the ground lease.
8. **Use of the Demised Premises:** for Fixed Base Operations (“FBO”) including but not limited to the sale of aircraft goods and services to the public, including without limitation, providing storage of transient aircraft in aircraft hangars and on the adjacent ramp area, and the dispensing of aviation fuel in accordance with and subject to the ordinances and regulations issued by the Town of Addison from time to time and/or the

Airport Governing Documents.

9. **Capital Repairs & Improvements:** All capital repairs and improvements shall be approved in advance and in writing by the City and shall be performed in a first-class manner in accordance with all applicable local, state, and federal building codes, ordinances, and regulations.

10. **Termination of Existing Leases:** The proposed Ground Lease is subject to and on the condition the Parties each enter into and make effective simultaneously, and without interruption, the early termination of the Mercury Primary Leaseholds located at 4400, 4451, and 4453 Glenn Curtiss. A fully executed Memorandum of Lease Agreement will be publicly recorded for each evidencing the early terminations and the new Ground Lease taking effect in their place. Each of the short-term leases affecting the three city-owned properties will be early-terminated by written notice as provided for in each lease agreement.

The following matrix is a summary of the entire Mercury leasehold interests subject to the proposed Ground Lease.

**Mercury Air Center – Addison, Inc. Proposed Consolidated Leasehold
Subject to Ground Lease**

Lease #/ Ramp Address	#0440-Combo (A8-	#0400-21 (T-7)	#0430-24 (A-7)	#0390-11 (T5)	#0410 (T1)	#0420-30 (T3)	Total
Street Address	4451 & 4453 Glenn Curtiss Dr.	4480 Glenn Curtiss Dr.	4400 Glenn Curtiss Dr.	4540 Glenn Curtiss Dr.	4532 Glenn Curtiss	4530 Glenn Curtiss	
Land Area	279,519	28,358	124,873	25,244	28,937	13,573	500,504
Hangar Area	47,742	13,736	26,000	6,600	10,335	4,096	108,509
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Total Building Area	57,946	13,736	48,310	6,600	10,335	4,096	141,023
Year Built	1964/1988	1980	1985	1979	1979	1979	
Dedicated Ramp (approx.)	123,720	8,748	52,200	4,500	12,132	4,600	205,900
Lease Type	G. Lease	G. Lease	G. Lease	G. Lease	G. Lease	G. Lease	
Lease Commenced	8/1/2020	8/1/2020	8/1/2020	8/1/2020	8/1/2020	8/1/2020	
Lease Expiration	7/31/2060	7/31/2060	7/31/2060	7/31/2060	7/31/2060	7/31/2060	
Years Remaining	40	40	40	40	40	40	
Base Monthly Rent (\$1.230/SFL)	\$28,651	\$2,907	\$12,799	\$2,588	\$2,966	\$1,391	\$51,302
Base Annual Rent	\$343,808	\$34,880	\$153,594	\$31,050	\$35,593	\$16,695	\$615,620
Annual Base Rent/SFL	\$1.23	\$1.23	\$1.23	\$1.23	\$1.23	\$1.23	\$1.230
Note: all areas and deminsions are estimated and subject to verification by the user.							

Economic Impact and Justification of Proposal:

The Mercury Ground Lease proposal meets or exceeds the targeted highest and best use for the subject properties as identified in the 2016 Airport Master Plan, which contemplates the redevelopment of the Taxiway Tango Neighborhood. The Airport Master Plan assumes the airport would continue to gain control of all properties within the "neighborhood" (as the existing ground leases expire) and commercially lease them subject to market rents until 2025-2026, at which time many of the hangars would be demolished and cleared from the airport to make room for a major redevelopment initiative. A major component of the Taxiway Tango redevelopment would be the reconstruction and realignment of Taxiway Tango to parallel more closely with the existing Addison Airport Tollway easement to the south and Glenn Curtiss Drive would be widened and improved to city standards. The airport land fronting Taxiway Tango would then be made available for third-party redevelopment subject to new long-term ground leases requiring legal off-street parking, dedicated aircraft apron constructed to airport standards, and fewer but larger office/hangar facilities suitable for aircraft maintenance, cargo, and aeronautical charter operations.

A cashflow model was developed for each of the six parcels included in the Mercury Ground Lease proposal based upon the Airport Master Plan's Taxiway Tango Neighborhood scenario. Various assumptions and conditions believed to be reasonable were used in developing these variable cashflow streams over a 40-year holding period, being the same duration as the proposed Mercury Ground Lease, should all extension options be exercised. These assumptions included but are not limited to (i) projected ground rental and commercial lease rates subject to periodic cost-of-living escalations; (ii) building size and use; (iii) remaining economic life; (iv) projected capital repair and improvement costs; (v) demolition costs, and (vi) the sale price of the certain city-owned building improvements subject to a new long-term ground lease. Once completed, each cashflow's net present value (NPV)⁴ was calculated using a 9% discount rate⁵. The NPV for each parcel was added to the others for a combined NPV for the entire leasehold.

A second set of cashflow models were developed for each of the same parcels reflecting the Mercury proposal using the same market ground rental for the 11.49 acres as assumed in the Airport Master Plan scenarios. Additionally, it is recognized that if Mercury is taking title and ownership of the building improvements under the Ground Lease, then Mercury must compensate the City for its "reversion value" the City would otherwise be entitled to under the Airport Master Plan scenario. In rather simplistic terms, the reversion value would be that value or values needed to cause the Mercury Proposal cashflow NPV to equal the combined Airport Master Plan NPV in excess of market ground rent.

⁴ Net Present Value (NPV) is a financial analytical technique used to discount all anticipated future (variable) cashflows back to their present value, or what they would be worth today given the time-value of money. This technique allows for the comparison of the outcome of multiple investment alternatives.

⁵ A fixed interest rate used to calculate a future cashflow stream's present value. For the purpose here a 9% rate was assumed using the weighted average of debt to equity: 60% @ 4.5% cost of debt and 40% ROE of 16% (2.7%+6.3%=9.0%).

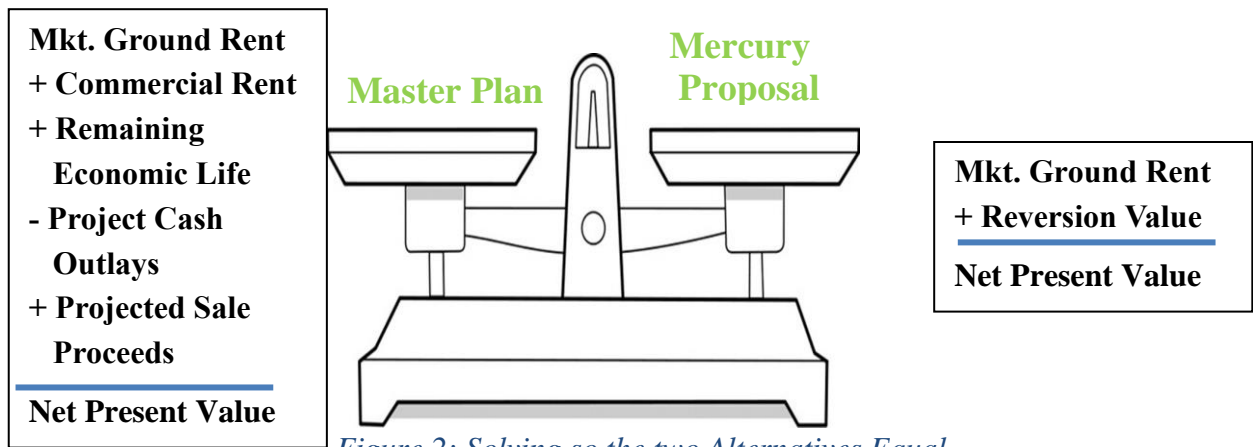


Figure 2: Solving so the two Alternatives Equal

The above analysis resulted in a beginning ground lease rate of \$.725 plus a reversionary interest payable to the City in an amount equal to \$3,758,197. So that the reversionary component does not take away from Mercury's available capital to put towards the building improvements, Mercury requested the reversionary component be amortized over the lease term at a 9% interest per annum payable in monthly installments as additional rent. This resulted in a blended annual ground lease rate of \$1.23 per square foot, or \$615,619 in annual rent beginning with YR-1, subject to biennial adjustments tied to the percentage of change in the Consumers Price Index as provided for in the Ground Lease.

For the 40-year lease term, the total projected cash flow is \$32,404,420 resulting in an NPV of \$7,512,687 in today's dollars. Including the value of the proposed capital improvements of \$14 million, the total Mercury Proposal is valued at \$21.5 million.

Another economic consideration and benefit for the City is the conversion of the city-owned hangars to private ownership that will allow the building improvements to be eligible for ad valorem taxes, thus contributing to the City's tax base.

As proposed, the Mercury Ground Lease proposal represents a significant and stable long-term source of revenue for the Airport for many years to come. Assuming Mercury completes the \$14 million in capital repairs and improvements, it will have also contributed to the further enhancement and quality of aeronautical facilities at Addison Airport, a major objective of the 2013 Strategic Plan and 2016 Airport Master Plan.

Conclusion and Recommendation:

The proposed Mercury Ground Lease represents to the City and Airport a significant contribution to the long-term growth and success of Addison Airport. The Mercury Proposal:

- Is consistent with 2013 Strategic Plan and 2016 Airport Master Plan.
- Allows the Airport the opportunity to retain Atlantic Aviation, the largest FBO in country, as a major tenant at Addison Airport for many years to come.
- Shifts a significant amount of capital and market risk from the Airport to Mercury.

- Provides for the amortizing of the value of the City's reversion interests over the lease term, which provides a substantial increase in Airport revenue over the lease term.
- Significantly improves the quality of the aeronautical facilities at the Airport with private capital.
- Allows Mercury to remain competitive with the other FBOs at the Airport.
- Increases the City's tax base by converting exempted, city-owned assets to taxable assets.
- Represents exceptional value and opportunity for the Town and Addison Airport.

Based upon the foregoing, Airport Management and Town Staff strongly encourage the City Council to accept the Mercury Ground Lease as proposed and authorize the City Manager to execute the Ground Lease and other related documents necessary for the transaction. The City Attorney has reviewed the Ground Lease and other related agreements and finds them acceptable for the Town's purposes.

This is the To-Be image of Atlantic on the field.



Council Meeting

11.

Meeting Date: 08/11/2020

Department: City Manager

AGENDA CAPTION:

Present, Discuss, and Consider Action on the Second Reading of an **Ordinance of the Town of Addison, Texas Granting to Oncor Electric Delivery Company LLC, Its Successors and Assigns, an Electric Power Franchise.**

BACKGROUND:

On February 22, 2005, the Town of Addison, Texas (the “Town”) adopted Ordinance No. 005-0100 which granted a non-exclusive franchise to Oncor Electric Delivery Company LLC, a Texas Corporation and its successors and assigns (“Oncor” or “Company”), an electric power franchise to use the present and future streets, avenues, alleys, roads, highways, sidewalks, easements, and public ways and other public property of the Town for the purposes of constructing and operating an electric distribution and transmission system and for delivering electricity to Town residents and businesses.

The current franchise authority granted by the Addison City Council was set to expire on July 31, 2019, and said franchise was extended by Ordinance No.019-26, which was adopted on June 24, 2019. This extension was requested because of possible regulatory and statutory changes that were taking place that could have impacted details of the franchise. The franchise being proposed accounts for the regulatory and statutory changes that were enacted. This franchise closely mirrors the one negotiated and enacted between the City of Plano and Oncor.

Town Charter Section 6.02 requires all Ordinances granting, renewing, amending or extending franchises for public utilities to be read at two (2) separate regular meetings of the City Council. The first required reading was held on June 23, 2020. Today's agenda item fulfills the second reading requirement. The Charter additionally requires the full text of the Ordinance to be published once a week for four (4) consecutive weeks in the official newspaper with the expense borne by Oncor. This has been accomplished. The Charter also requires that at least thirty (30) days must pass between the first reading and passage of the Ordinance. This has also occurred. Lastly, the Charter requires that the Ordinance shall not take effect until thirty (30) days after its final passage.

It is to the mutual advantage of both the Town and Oncor to enter into a new franchise establishing the conditions under which Oncor will operate its system of electric power lines, with all necessary or desirable appurtenances for delivering such electric power including underground conduits, poles, towers, wires, transmission lines, and other structures, equipment, and facilities in the Town.

RECOMMENDATION:

Administration recommends approval.

Attachments

Ordinance - Electric Power Franchise - Oncor

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS GRANTING TO ONCOR ELECTRIC DELIVERY COMPANY LLC, ITS SUCCESSORS AND ASSIGNS, AN ELECTRIC POWER FRANCHISE TO USE THE PRESENT AND FUTURE STREETS, ALLEYS, HIGHWAYS, PUBLIC UTILITY EASEMENTS, AND PUBLIC WAYS AND OTHER PUBLIC PROPERTY OF ADDISON, TEXAS, PROVIDING FOR COMPENSATION THEREFOR, PROVIDING FOR PUBLICATION, PROVIDING FOR WRITTEN ACCEPTANCE OF THIS FRANCHISE, PROVIDING FOR THE REPEAL OF ALL EXISTING FRANCHISE ORDINANCES TO ONCOR ELECTRIC DELIVERY COMPANY LLC, ITS PREDECESSORS AND ASSIGNS, FINDING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC, AND PROVIDING FOR AN EFFECTIVE DATE AND A TERM OF SAID FRANCHISE.

WHEREAS, on February 22, 2005, the Town of Addison, Texas (the “Town” or “City”) adopted Ordinance No. 005-0100 which granted a non-exclusive franchise to Oncor Electric Delivery Company LLC, a Texas Corporation and its successors and assigns (“Oncor” or “Company”), an electric power franchise to use the present and future streets, avenues, alleys, roads, highways, sidewalks, easements, and public ways and other public property of the Town for the purposes of constructing and operating an electric distribution and transmission system and for delivering electricity to Town residents and businesses; and

WHEREAS, pursuant to such grant of authority, Oncor is now and has been engaged in the electric utility business in the State of Texas and the Town of Addison and, in furtherance thereof, has erected and maintained portions of its physical plant in the Town; and

WHEREAS, the current franchise authority granted by the Addison City Council was set to expire on July 31, 2019, and said franchise was extended by Ordinance No. 019-26, which was adopted on June 24, 2019; and

WHEREAS, the City Council of the Town of Addison hereby finds that it is to the mutual advantage of both the Town and Oncor to enter into a new franchise establishing the conditions under which Oncor will operate its system of electric power lines, with all necessary or desirable appurtenances for delivering such electric power including underground conduits, poles, towers, wires, transmission lines, and other structures, equipment, and facilities in the Town; and

WHEREAS, pursuant to Sections 2 and 6 of the City's Charter, the City Council hereby determines that a grant of this Ordinance is in the best interests and will inure to the benefit of the Town and its citizens.

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

SECTION 1. GRANT OF AUTHORITY.

- A. Subject to all the terms and conditions contained herein, the Town hereby grants Oncor a Franchise agreement with the non-exclusive right to construct, extend, maintain and operate in, along, under and across its Electric Distribution and Transmission System in the present and future public streets, alleys, highways, public utility easements, public ways and other public property (the “Public Rights-of-Way”) of Town, including electric power lines, with all necessary or desirable appurtenances (including underground conduits, poles, towers, wires, transmission lines, telephone and communication lines and other structures for Oncor’s own use), (herein called “Facilities”) for the purpose of delivering electricity to the Town, the inhabitants thereof, and persons, firms, and corporations beyond the corporate limits thereof, for the term set out in Section 8.
- B. Oncor must get written approval from the Town prior to installing Oncor facilities in a Town park or Town property other than public utility easements, streets, alleys, or highway Public Rights-of-Way.
- C. Oncor may not use any portion of its Electric Distribution and Transmission System in the Town’s Public Rights-of-way for any purpose other than the delivery of electric service (or in the support of Oncor’s Distribution and Transmission System), including renting, licensing or otherwise sharing use of facilities with third parties, including third parties receiving electric service, without first entering into a separate agreement with the Town for Oncor ancillary service; however, Oncor is hereby expressly permitted as required by Federal law to allow Telecommunication Companies (e.g. telephone, and cable) to attach to Oncor Facilities so long as Federal laws and Oncor requirements are met, which includes the allowed attachment fees.
- D. Subject to Subsection 1C above, Oncor agrees to notify other persons, firms, or corporations that desire to attach facilities to Oncor’s Electric Distribution and Transmission System located within the Town that they have to obtain all legally required franchises, licenses, waivers, consents, easements, rights of way, and permits needed to construct and operate its equipment within the Town. However, in no event is Oncor responsible or liable to Town or any other person or entity if the persons, firms, or corporations that desire to attach to Oncor’s Electric Distribution and Transmission System fails to obtain anything required by Town. Town may request a list of persons or corporations who have a contract to attach facilities to Oncor equipment within the City limits, and Oncor shall provide such information within a reasonable time after the Town’s request.

SECTION 2. PLACEMENT OF FIXTURES.

- A. Poles, towers, and other structures shall be so erected as not to unreasonably interfere with, at the time said Facilities are installed: 1) present and planned (if City notifies Oncor of said plan prior to Oncor erecting or installing the Facilities in question) vehicular and pedestrian traffic over streets, alleys, highways, and sidewalks; 2) present and planned (if City notifies Oncor of said plan prior to Oncor erecting or installing the Facilities in question) gas, electric, or telephone fixtures; or 3) present and planned (if City notifies Oncor of said plan prior to Oncor erecting or installing the Facilities in question) water hydrants or mains, drainage facilities or sanitary sewer facilities.

All poles, towers and other structures must be reasonably required for Electric Distribution and Transmission purposes and not primarily for providing facilities for third-parties or other uses.

B. Oncor acknowledges that, by this Franchise Agreement, it obtains no rights to, or further use of, the Public Rights-of-Way other than those expressly granted herein and also granted by state and federal laws, rules, and regulations, including any amendments thereto. Oncor further acknowledges and accepts at its own risk, provided that Town has the legal authority for the use or uses in question, that Town may make use in the future of the Public Rights-of-Way in which the Electric Distribution and Transmission System is located and, in that event, Oncor shall only be entitled to compensation or reimbursement from Town as provided by Section 3 or any applicable state and federal laws, rules, and regulations including Tariffs and any amendments thereto.

C. Oncor must share trench space for cables or ducts with another person, firm, or corporation for the placement of cables or wires underground; provided, however, Oncor has no obligation to comply if said person, firm or corporation does not agree with Oncor's terms and requirements for sharing trench space including cost sharing of trench and including any required contract or agreement with Oncor. All terms and requirements for sharing trench space and any required contract or agreement therefrom must be reasonable as per industry standards and any Federal or State laws, rules, or regulations. Oncor may require another person, firm, or corporation to furnish evidence of adequate insurance and provide indemnity covering Oncor and adequate bonds covering the performance of the person, firm or corporation sharing the trench space. Oncor's requirement for such insurance and indemnity must be reasonable. Ducts, cables or wires shall be placed in trenches in compliance with applicable National Electrical Safety Code (NESC) requirements and in a manner that does not interfere with Oncor's cables and wires. Each person, firm, or corporation that is permitted to share Oncor trench space must acquire their own permits from the Town and must have any necessary Franchise, license, or contract as required by the Town; and Oncor's sole responsibility regarding this provision is the same responsibility as stated in Section 1.D of this franchise.

D. Oncor will cooperate with Town, regarding the selection of the location of poles, towers and other structures, provided, however, that the Town and Oncor recognize that Oncor must meet all legally imposed requirements and may avail itself of legally permitted procedures for determining the location of such facilities. Further, the parties recognize that Oncor may rely upon reasonable safety requirements in determining the appropriate location of such facilities.

Town may request a list of persons or corporations who have a contract to attach facilities to Oncor equipment within the City limits, and Oncor shall provide such information within a reasonable time after the Town's request.

SECTION 3. CONSTRUCTION, MAINTENANCE, OPERATION AND RELOCATION.

A. In constructing, maintaining and operating the Electric Distribution and Transmission System, Oncor shall act in a good and workmanlike manner.

B. Use of the Public Rights-of-Way by Oncor shall be governed by the Town's Charter, ordinances, rules and regulations and state and federal laws, rules and regulations, including the NESC and any amendments thereto. Nothing in this Agreement shall prohibit Oncor from asserting a claim before the Addison City Council, another regulatory agency, or a court having jurisdiction to contest any requirements of the Town's Charter, ordinances, rules and regulations that Oncor believes is unconstitutional, conflicts with this Franchise agreement, or conflicts with any other state and federal laws, rules, and regulations or any NESC standard adopted by Oncor.

C. The Town reserves the right to lay, and permit to be laid, storm, sewer, gas, water, wastewater, and other pipe lines, cables, and conduits, or other improvements, and to do and permit to be done any underground or overhead work that may be necessary or proper in, across, along, over, or under Public Rights-of-Way occupied by Oncor. The Town also reserves the right to change in any manner any curb, sidewalk, highway, alley, public way, street, utility lines, storm sewers, drainage basins, drainage ditches, and the like.

D. Town-requested relocations of Oncor Facilities in the Public Rights-of-Way shall be at Oncor's expense; provided however, if the Town is the end use Retail Customer (customer who purchases electric power or energy and ultimately consumes it) requesting the removal or relocation of Oncor Facilities for its own benefit, or the Town's project requiring the relocation is solely aesthetic/beautification in nature, it will be at the total expense of the Town.

E. Town shall provide Oncor with at least thirty (30) days' notice when requesting Oncor to relocate Facilities and shall specify a new location for such Facilities along the Public Rights-of-Way. Oncor shall proceed to relocate Facilities without unreasonable delay. Provided further, if the relocation request includes, or is for, Oncor to relocate above-ground facilities to an underground location, Town shall be fully responsible for the additional cost of placing the facilities underground.

F. If any other corporation or person (other than Town) requests Oncor to relocate Oncor Facilities located in Public Rights-of-Ways, Oncor shall not be bound to make such changes until such other corporation or person shall have undertaken, with good and sufficient bond, to reimburse Oncor for any costs, loss, or expense which will be caused by, or arises out of such change, alteration, or relocation of Oncor's Facilities. Town may not request Oncor to pay for any relocation which has already been requested, and paid for, by any entity other than Town. The Town shall never be liable for such reimbursement, due to Oncor, from such other corporation or person.

G. Oncor shall, except in cases of emergency conditions or work incidental in nature, obtain a permit, if required by Town Ordinance, prior to performing work in the Public Rights-of-Way, except in no instance shall Oncor be required to pay fees or bonds related to these permits, licenses, or other approval processes required for placing Facilities in the Public Rights-of-Way.

H. If Town abandons any Public Rights-of-Way in which Oncor has Facilities, such abandonment shall be conditioned on Oncor's right to maintain its use of the former Rights-of-Way and on the obligation of the party to whom the Public Rights-of-Way is abandoned to

reimburse Oncor for all removal or relocation expenses if Oncor agrees to the removal or relocation of its Facilities following abandonment of the Public Rights-of-Way. If the party to whom the Public Rights-of-Way is abandoned requests Oncor to remove or relocate its Facilities and Oncor agrees to such removal or relocation, such removal or relocation shall be done within a reasonable time at the expense of the party requesting the removal or relocation. If relocation cannot practically be made to another Public Rights-of-Way, the expense of any Public Rights-of-way acquisition shall be considered a relocation expense to be reimbursed by the party requesting the relocation.

I. Oncor may permit the wires of the Town to be attached to the poles or use of spare conduit in duct systems owned and maintained by Oncor, under separate agreement, upon securing an Oncor "Pole Attachment/Duct Use" agreement which specifies the requirements and compensation for said use. Oncor does not warrant or guarantee there will be space made available on Oncor poles or spare conduits in Oncor duct systems for the Town's use. Oncor may require the Town to furnish evidence of adequate insurance, provide indemnity covering Oncor, and provide adequate bonds covering the performance of the Town or Town's contractor prior to attaching wires to Oncor's poles and prior to Town's use of conduit in Oncor's duct systems.

J. Oncor shall have in place Vegetation Management Guidelines, and shall provide Town with a current copy of same, upon request. If the Town requests a current copy of Oncor's Vegetation Management Guidelines, release of such shall be pursuant to the same confidential protection process identified in Section 9.E of this Franchise. Oncor shall conduct its tree-trimming activities in accordance with its Vegetation Management Guidelines, including as amended by Oncor from time to time, and will address concerns or complaints with regard to its tree-trimming activities upon reasonable request by the Town. Except in emergency situations or in response to outages, and in accordance with Oncor Vegetation Management Guidelines, Oncor shall notify affected property owners and the Town prior to beginning planned Distribution tree-trimming activities within City limits.

K. Town shall have the ability at any time to require Oncor to repair, remove or abate any distribution pole, wire, cable, or other distribution structure in Town's Public Rights-of-Way that is determined to be unnecessarily dangerous to life or property. After receipt of notice, Oncor shall either cure said dangerous condition within a reasonable time, or provide Town with facts defending its position that said condition is not a condition that is unnecessarily dangerous to life or property. In the event Town finds that Oncor has not sufficiently addressed said dangerous condition by either of the aforementioned methods, Town shall be entitled to immediately exercise the remedies in Section 11.

SECTION 4. INDEMNITY.

A. IN CONSIDERATION OF THE GRANTING OF THIS FRANCHISE, ONCOR AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE TOWN, ITS, OFFICERS, AGENTS AND EMPLOYEES FROM AND AGAINST ALL SUITS, ACTIONS OR CLAIMS OF INJURY TO ANY PERSON OR PERSONS, OR DAMAGES TO ANY PROPERTY BROUGHT OR MADE FOR OR ON ACCOUNT OF ANY DEATH, INJURIES TO, OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR

FOR DAMAGE TO OR LOSS OF PROPERTY ARISING OUT OF, OR OCCASIONED BY ONCOR'S INTENTIONAL AND/OR NEGLIGENT ACTS OR OMISSIONS IN CONNECTION WITH ONCOR'S OPERATIONS; EXCEPT THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY DETERMINED BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM THE SOLE NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS OF THE TOWN, ITS OFFICERS, AGENTS AND EMPLOYEES. IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OR FAULT OF BOTH ONCOR AND THE TOWN, RESPONSIBILITY AND INDEMNITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE TOWN UNDER TEXAS LAW AND WITHOUT WAIVING ANY OF THE DEFENSES OF THE PARTIES UNDER TEXAS LAW. FURTHER, IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OR FAULT OF BOTH ONCOR AND THE TOWN, RESPONSIBILITY FOR ALL COSTS OF DEFENSE SHALL BE APPORTIONED BETWEEN THE TOWN AND ONCOR BASED UPON THE COMPARATIVE FAULT OF EACH.

- B. In fulfilling its obligation to defend and indemnify Town, Oncor shall have the right to select defense counsel, subject to Town's approval, which will not be unreasonably withheld. Oncor shall retain defense counsel within seven (7) business days of Town's written notice that Town is invoking its right to indemnification under this Contract. If Oncor fails to retain Counsel within such time period, Town shall have the right to retain defense counsel on its own behalf, and Oncor shall be liable for all defense costs incurred by Town, except as set out in Section 4.A.

SECTION 5. LIABILITY INSURANCE.

Oncor shall, at its sole cost and expense, obtain, maintain, or cause to be maintained, and provide, throughout the term of this Franchise, insurance in the amounts, types and coverages in accordance with the following requirements. Such insurance may be in the form of self-insurance to the extent permitted by applicable law or by obtaining insurance, as follows:

1. Commercial, general or excess liability on an occurrence or claims-made basis with minimum limits of five million dollars (\$5,000,000) per occurrence and ten million dollars (\$10,000,000) aggregate. This coverage shall include the following:
 - a. Products/completed operations to be maintained for the warranty period or two years, whichever is less.
 - b. Personal and advertising injury.
 - c. Contractual liability.
 - d. Explosion, collapse, or underground (XCU) hazards.
2. Automobile liability coverage with a minimum policy limit of one million dollars (\$1,000,000) combined single limit each accident. This coverage shall include all owned, hired and non-owned automobiles.

3. Workers compensation and employer's liability coverage. Statutory coverage limits for Coverage A and five hundred thousand dollars (\$500,000) bodily injury each accident, five hundred thousand (\$500,000) each employee bodily injury by disease, and five hundred thousand dollars (\$500,000) policy limit bodily injury by disease Coverage B employers' liability are required. Oncor must provide the Town with a waiver of subrogation for worker's compensation claims.
4. Oncor must name the Town, which includes all authorities, commissions, divisions and departments, as well as elected and appointed officials, agents, and volunteers, as an additional insured under the coverage required herein, except Worker's Compensation Coverage. The certificate of insurance must state that the Town is an additional insured.
5. Oncor will require its contractors and subcontractors to maintain, at their sole cost and expense, a minimum of three million dollars (\$3,000,000) each occurrence or each accident general liability and automobile liability throughout the course of work performed. Also, contractors and subcontractors will be required to maintain statutory workers' compensation benefits in accordance with the regulations of the State of Texas or state of jurisdiction as applicable. The minimum limits for employers' liability insurance will be five hundred thousand dollars (\$500,000) bodily injury each accident, five hundred thousand dollars (\$500,000) each employee bodily injury by disease, five hundred thousand dollars (\$500,000) policy limit bodily injury by disease.
6. Oncor will provide proof of insurance in accordance with this Franchise Agreement within 30 days of the effective date of the Franchise Agreement and annually thereafter. Oncor will not be required to furnish separate proof when applying for permits.

SECTION 6. NON-EXCLUSIVE FRANCHISE.

This franchise is not exclusive, and nothing herein contained shall be construed so as to prevent the Town from granting other privileges and franchises to any other person, firm, or corporation. This Franchise Agreement does not establish any priority for the use of the Public Rights-of-Way by Oncor or by any present or future recipients of franchise agreements, franchisees, or other permit holders.

SECTION 7. PAYMENTS TO TOWN.

A. In consideration of the grant of said right, privilege and franchise by the Town and as full payment for the right, privilege and franchise of using and occupying the Public Rights-of-Way, and in lieu of any and all occupation taxes, assessments, municipal charges, fees, easement taxes, franchise taxes, license, permit and inspection fees or charges, street taxes, bonds, street or alley rentals, and all other taxes, charges, levies, fees, and rentals of whatsoever kind and character which the Town may impose or hereafter be authorized or empowered to levy and collect, excepting only the usual general or special ad valorem taxes which the Town is authorized to levy

and impose upon real and personal property, sales and use taxes, and special assessments for public improvements, Oncor shall pay to the Town the following:

1. A final quarterly payment was made on or before May 1, 2020, for the privilege period of February 1, 2021 through April 30, 2021 in accordance with the provisions in the previous franchise.
2. As authorized by Section 33.008(b) of PURA, the original franchise fee factor calculated for the Town in 2002 was 0.002544 (the “Base Factor”), multiplied by each kilowatt hour of electricity delivered by Oncor to each retail customer whose consuming facility’s point of delivery is located within the City’s municipal boundaries for determining franchise payments going forward.

Due to a 2006 agreement between Oncor and the Town (the Agreement to Resolve Outstanding Franchise Issues between Oncor and the Steering Committee of Cities) the franchise fee factor was increased to a franchise fee factor of 0.002671 (the “Current Factor”), multiplied by each kilowatt hour of electricity delivered by Oncor to each retail customer whose consuming facility’s point of delivery is located within the City’s municipal boundaries on a quarterly basis.

However, consistent with the 2006 agreement, should the Public Utility Commission of Texas (PUC) at any time disallow Oncor’s recovery through rates of the higher franchise payments made under the Current Factor as compared to the Base Factor, then the franchise fee factor shall immediately revert to the Base Factor of 0.002544.

B. Oncor shall make quarterly pre-pay payments as follows:

Payment Due Date	Basis Period (period immediately prior to Payment Due Date)	Privilege Period (period immediately following Payment Due Date)
August 1	April 1 – June 30	May 1 – July 31
November 1	July 1 – September 30	August 1 – October 31
February 1	October 1 – December 31	November 1 – January 31
May 1	January 1– March 31	February 1 – April 30

1. The first quarterly payment hereunder shall be due and payable on or before August 1, 2020, and will cover the basis period of April 1, 2020, through June 30, 2020, and the privilege period of May 1, 2021, through July 31, 2021. **If this Franchise Agreement is not effective prior to the first quarterly payment date, Oncor will pay any payments due within 30 days of the effective date of this agreement.** The final payment under this Franchise Agreement is due on or before May 1, 2039, and covers the basis period of January 1, 2039, through March 31, 2039, and the privilege period of February 1, 2040, through April 30, 2040.

2. After the final payment date of May 1, 2039, Oncor may continue to make additional quarterly payments in accordance with the above schedule unless the parties enter into a new franchise. Town acknowledges that such continued payments will correspond to privilege periods that extend beyond the term of this Franchise Agreement and that such continued payments will be recognized in any subsequent Franchise as full payment for the relevant quarterly periods.

C. Oncor shall additionally pay a sum equal to four percent (4%) of gross revenues received by Oncor from services identified as DD1 through DD24 in Section 6.1.2 “Discretionary Service Charges,” in Oncor’s Tariff for Retail Delivery Service (Tariff), effective 1/1/2002, that are for the account and benefit of an end-use retail electric consumer. Oncor’s obligation to pay on services identified as DD1 through DD24 will continue even if Tariff modifications have been made that have subdivided certain portions of DD1 through DD24 into multiple services with their own numbered charges (e.g. SD charges) or have renumbered the charge, provided that the service is encompassed within the original agreed-to types of Discretionary Service Charges, and further provided that if any service has been removed from Oncor’s approved Tariffs, then no payment is due. Oncor will, upon request by Town, provide a cross reference to Discretionary Service Charge numbering changes that are contained in Oncor’s current approved Tariff.

1. The franchise fee amounts based on “Discretionary Service Charges” shall be calculated on an annual calendar year basis, i.e. from January 1 through December 31 of each calendar year.
2. The franchise fee amounts that are due based on “Discretionary Service Charges” shall be paid at least once annually on or before April 30 each year based on the total “Discretionary Service Charges”, as set out in Section 7C, received during the preceding calendar year. The initial Discretionary Service Charge franchise fee amount will be paid on or before April 30, 2021 and will be based on the calendar year January 1 through December 31, 2020. The final Discretionary Service Charge franchise fee amount will be paid on or before April 30, 2041 and will be based on the calendar months of January 1, 2040, through April 30, 2040.
3. Oncor may file a tariff or tariff amendment(s) to provide for the recovery of the franchise fee on Discretionary Service Charges.
4. Town agrees: (i) to the extent the Town acts as regulatory authority, to adopt and approve that portion of any tariff which provides for 100% recovery of the franchise fee on Discretionary Service Charges; (ii) in the event the Town intervenes in any regulatory proceeding before a federal or state agency in which the recovery of the franchise fees on such Discretionary Service Charges is an issue, the Town will take an affirmative position of support for the 100% recovery of such franchise fees by Oncor; and (iii) in the event of an appeal of any such regulatory proceeding in which the Town has intervened, the Town will take an affirmative position

of support in any such appeal for the 100% recovery of such franchise fees by Oncor.

5. Town agrees that it will take no action, nor cause any other person or entity to take any action, to prohibit the recovery of such franchise fees by Oncor.
6. In the event of a regulatory disallowance of the recovery of the franchise fees on the Discretionary Service Charges, Oncor will not be required to continue payment of such franchise fees.

D. With each payment of compensation required in Section 7.A. and 7.B., Oncor shall furnish to the Town a statement that provides the franchise basis period, the total amount of kilowatt hours of electricity delivered during the franchise basis period by Oncor to retail customers whose consuming facility's point of delivery is located within the City's municipal boundaries, and the privilege period covered by that payment.

E. With each payment of compensation required in Section 7.C., Oncor shall furnish to the Town a statement reflecting the total amount of gross revenues received by Oncor within the City's municipal boundaries for services identified in its "Tariff of Retail Delivery Service" as described in Section 7.C.

F. Should any payment due date required by this Franchise Agreement fall on a weekend or declared bank holiday, payment shall be delivered to the Town no later than the close of business on the working day prior to any specifically required due date contained within this Franchise Agreement.

G. If either party discovers that Oncor has failed to pay the entire or correct amount of compensation due, the correct amount shall be determined by mutual agreement between the Town and Oncor and the Town shall be paid by Oncor within thirty (30) calendar days of such determination. Any overpayment by Oncor to the Town through error or otherwise will, at the option of the Town, either be refunded within thirty (30) days of discovery or be offset against the next payment due from Oncor. Acceptance by either party of any payment due under this Section shall not be deemed to be a waiver by either party of any breach of this Franchise Agreement, nor shall the acceptance by either party of any such payments preclude either party from later establishing that a larger amount was actually due or from collecting any balance due. Nothing in this Section shall be deemed a waiver by either party of its rights under laws, rules, regulations, or equity.

H. Interest on late payments shall be calculated in accordance with the interest rate for customer deposits established by the Public Utility Commission of Texas in accordance with Texas Utilities Code Section 183.003 including any amendments thereto.

I. The franchise fee payable to the Town pursuant to Section 7.A., except as agreed to by Oncor and the Town in Section 7.G, shall not be offset by any payment by Oncor to the Town relating to ad valorem taxes.

J. This subsection applies only if, after the effective date of this Franchise Agreement, Oncor enters into a new municipal Franchise agreement or renews an existing municipal Franchise agreement with another municipality that provides for a different method of calculation of franchise fees for use of the Public Rights-of-Way than the calculation under 33.008(b) of PURA, which, if applied to the Town, would result in a greater amount of franchise fees owed to the Town than under this Franchise Agreement.

1. Town shall have the option to:
 - (a) Have Oncor select, within 30 days of the Town's request, any or all portions of the franchise agreement with the other municipality or comparable provisions that, at Oncor's sole discretion, must be considered in conjunction with the different method of the calculation of franchise fees included in that other Franchise agreement; and
 - (b) Modify this franchise to include both the different method of calculation of Franchise fee found in the Franchise agreement with the other municipality and all of the other provisions identified by Oncor pursuant to Section 7.J.1.(a). In no event shall Town be able to modify the Franchise to include the different method of calculation of Franchise fee found in the Franchise agreement with the other municipality without this Franchise also being modified to include all of the other provisions identified by Oncor pursuant to Section 7.J.1.(a).
2. Town may not exercise the option provided in Section 7.J.1 if any of the provisions that would be included in this Franchise are, in Oncor's sole reasonable opinion, inconsistent with or in any manner contrary to any then-current rule, regulation, ordinance, law, Code, or City Charter.
3. In the event of a regulatory disallowance of the increase in Franchise fees paid pursuant to Town's exercise of its option under this Section, then at any time after the regulatory authority's entry of an order disallowing recovery of the additional Franchise fee expense in rates, Oncor shall have the right to cancel the modification of the Franchise made pursuant to this Section, and terms of the Franchise shall immediately revert to those in place prior to Town's exercise of its option under this Section.
4. Notwithstanding any other provision of this Franchise Agreement, should the Town exercise the option provided in Section 7.J, and then adopt any rule, regulation, ordinance, law, Code, or Charter of Town that, in Oncor's sole reasonable opinion, is inconsistent with or in any manner contrary to the provisions included in this Franchise pursuant to Section 7.J., then Oncor shall have the right to cancel all of the modifications to this Franchise Agreement made pursuant to this Section and, effective as of the date of the Town's adoption of the inconsistent provision, the terms of the Franchise shall revert to those in place prior to Town's exercise of its option under this

Section.

5. The provisions of this Section apply only to the amount of the Franchise fee to be paid and do not apply to other Franchise fee payment provisions, such as the timing of such payments. The provisions of this Section do not apply to differences in the Franchise-fee factor that result from the application of the methodology set out in Section 33.008(b) of PURA or any successor methodology.

SECTION 8. ACCEPTANCE & TERM.

This Ordinance and Franchise Agreement shall become effective upon Oncor's written acceptance hereof, said written acceptance to be filed by Oncor with the Town within sixty (60) days after final passage and publication by Town as required by City Charter. Oncor will pay the reasonable expense for publishing the full text of this Franchise Ordinance in the official newspaper of the Town of Addison, once a week for four (4) consecutive weeks, in compliance with the requirements of the City Charter. The right, privilege and franchise granted hereby shall expire on April 30, 2040; provided that, unless written notice of cancellation is given by either party hereto to the other not less than sixty (60) days before the expiration of this Franchise Agreement, it shall be automatically renewed for an additional period of six (6) months from such expiration date and shall be automatically renewed thereafter for like periods until cancelled by written notice given not less than sixty (60) days before the expiration of any such renewal period. This agreement, however, will terminate no later than 25 years from its effective date.

SECTION 9. ACCOUNTING MATTERS.

- A. Maintenance of Records. Oncor shall keep accurate books of account at its principal office for the purpose of determining the amount due to the Town under this Franchise Agreement.
- B. Audit. Pursuant to Section 33.008(e) of the Texas Utilities Code, the Town may conduct an audit or other inquiry in relation to a payment made by Oncor less than two (2) years before the commencement of such audit or inquiry. The Town may, if it sees fit, and upon reasonable notice to Oncor, have the books and records of Oncor examined by a representative of Town to ascertain the correctness of the reports agreed to be filed herein.
- C. Access to Records. Oncor agrees to cooperate in such audit and shall provide responses to inquiries within thirty (30) calendar days of a written request, unless otherwise agreed to by the Town and Oncor. Oncor shall make available to the auditor during Oncor's regular business hours and upon reasonable notice, such personnel and records that the Town may, in its reasonable discretion, request in order to complete such audit, and shall make no charge to the Town therefore.
- D. Refunds/Credits.
 1. If as the result of any Town audit, Oncor is refunded/credited for an overpayment or pays the Town for an underpayment of the Franchise Fee, such refund/credit or payment shall be made pursuant to the terms established in

Sections 7.B and 7.C.

2. If, as a result of a subsequent audit, initiated within two years of an audit which resulted in Oncor making a payment to the Town due to an underpayment of the Franchise Fee of more than 5%, Oncor makes another payment to the Town due to an underpayment of the Franchise Fee of more than 5%, the Town may immediately treat this underpayment as an Uncured Event of Default and exercise the remedies provided for in Section 11.C.

E. If Oncor provides confidential or proprietary information to the Town, Oncor shall be solely responsible for identifying such information with markings reasonably calculated to bring the Town's attention to the proprietary or confidential nature of the information. The Town agrees to maintain the confidentiality of any non-public information obtained from Oncor so designated to the extent allowed by law. When a court or regulatory agency (other than Town) order requires the Town to release non-public information, Town shall provide notice to Oncor prior to releasing the information so as to allow Oncor adequate time to pursue available remedies for protection. If the Town receives a request under the Texas Public Information Act that includes Oncor's proprietary information, Town will notify the Texas Attorney General of the proprietary nature of the document(s). The Town shall also provide Oncor a copy of the official notification in writing, and thereafter Oncor is responsible for establishing that an exception under the Act allows the Town to withhold the information. If the Texas Attorney General requires release, the Town has no liability to Oncor for such release.

SECTION 10. RIGHT OF RENEGOTIATION.

A. Should either Oncor or the Town have cause to believe that a change in circumstances relating to the terms of this franchise may exist, it may request that the other party provide it with a reasonable amount of information to assist in determining whether a change in circumstances has taken place.

B. Should either party hereto determine that, based on a change in circumstances, it is in the best interest to renegotiate all or some of the provisions of this Franchise Agreement, then the other party agrees to enter into good faith negotiations. Said negotiations shall involve reasonable, diligent, and timely discussions about the pertinent issues and a resolute attempt to settle those issues. The obligation to engage in such negotiations does not obligate either party to agree to an amendment to the Franchise as a result of such negotiations. A failure to agree does not show a lack of good faith. If, as a result of renegotiation, the Town and Oncor agree to a change in a provision of this Ordinance, the change shall become effective upon passage of an ordinance by the Town in accordance with the City Charter and written acceptance of the amendment by Oncor.

SECTION 11. DEFAULT, REMEDIES, AND TERMINATION.

A. Events of Default. The occurrence, at any time during the term of the Franchise Agreement, of any one or more of the following events, shall constitute an Event of Default by Oncor under this Franchise:

1. The failure of Oncor to pay the payments required in Section 7 on or before the due dates specified herein.
2. Oncor's material breach or material violation of any material terms, covenants, representations or warranties contained herein.

B. Uncured Events of Default.

1. Upon the occurrence of an Event of Default which can be cured by the immediate payment of money to Town, Oncor shall have thirty (30) calendar days from receipt of written notice from Town of an occurrence of such Event of Default to cure same before Town may exercise any of its rights or remedies provided for in Section 11.C.
2. Upon the occurrence of an Event of Default by Oncor which cannot be cured by the immediate payment of money to Town, Oncor shall have sixty (60) calendar days (or such additional time as may be agreed to by the Town) from receipt of written notice from Town of an occurrence of such Event of Default to cure same before Town may exercise any of its rights or remedies provided for in Section 11.C.
3. If the Event of Default is not cured within the time period allowed for curing the Event of Default as provided for herein, such Event of Default shall, without additional notice, become an Uncured Event of Default, which shall entitle Town to exercise the remedies provided for in Section 11.C.

C. Remedies. The Town shall notify Oncor in writing of an alleged Uncured Event of Default as described in Section 11.B, which notice shall specify the alleged failure with reasonable particularity. Oncor shall, within thirty (30) business days after receipt of such notice or such longer period of time as the Town may specify in such notice, either cure such alleged failure or in a written response to the Town either present facts and arguments in refuting or defending such alleged failure or state that such alleged failure will be cured and set forth the method and time schedule for accomplishing such cure. In the event that such cure is not forthcoming, Town shall be entitled to exercise any and all remedies as allowed by law.

The rights and remedies of Town and Oncor set forth in this Franchise Agreement shall be in addition to, and not in limitation of, any other rights and remedies provided by law or in equity. Town and Oncor understand and intend that such remedies shall be cumulative to the maximum extent permitted by law and the exercise by Town of any one or more of such remedies shall not preclude the exercise by Town, at the same or different times, of any other such remedies for the same failure to cure. However, notwithstanding this Section or any other provision of this Franchise, Town shall not recover both liquidated damages and actual damages for the same violation, breach, or noncompliance, either under this Section or under any other provision of this Franchise.

D. Termination. In accordance with the provisions of Section 11.C, this Franchise may be

terminated upon thirty (30) business day's prior written notice to Oncor by Town. Town shall notify Oncor in writing at least fifteen (15) business days in advance of the Town Council meeting at which the question of forfeiture or termination shall be considered, and Oncor shall have the right to appear before the City Council in person or by counsel and raise any objections or defenses Oncor may have that are relevant to the proposed forfeiture or termination. The final decision of the City Council may be appealed to any court or regulatory authority having jurisdiction. Upon timely appeal by Oncor of the City Council's decision terminating the Franchise, the effective date of such termination shall be either when such appeal is withdrawn or an order upholding the termination becomes final and unappealable. Until the termination becomes effective the provisions of this Franchise shall remain in effect for all purposes. The Town recognizes Oncor's right and obligation to provide service in accordance with the Certificate of Convenience and Necessity authorized by the Public Utility Commission of Texas in accordance with the Texas Utilities Code.

SECTION 12. ASSIGNMENT. The rights granted by this Franchise Agreement inure to the benefit of the Oncor and any parent, subsidiary, affiliate or successor entity now or hereafter existing. The rights shall not be assignable without the express written consent, by Ordinance, of the City Council of the Town, unless otherwise superseded by state laws, rules, or regulations or Public Utility Commission of Texas action, and such consent by Town shall not be unreasonably withheld or delayed, except Oncor may assign its rights under this Franchise Agreement to a parent, subsidiary, affiliate or successor entity without consent, so long as such parent, subsidiary, affiliate or successor entity assumes all obligations of Oncor hereunder, and is bound to the same extent as Oncor hereunder. Oncor shall give the Town written notice within ninety (90) days of any such assignment to a parent, subsidiary, affiliate or successor entity.

SECTION 13. SUPERSEDEANCE. This Ordinance shall supersede any and all other Franchises granted by the Town to Oncor, its predecessors and assigns.

SECTION 14. SEVERABILITY CLAUSE. The sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable. If any portion of this Ordinance is declared illegal or unconstitutional by the valid final non-appealable judgment or decree of any court of competent jurisdiction, such illegality or unconstitutionality shall not affect the legality and enforceability of any of the remaining portions of this Ordinance.

SECTION 15. NOTICE. Any notices required or desired to be given from one party to the other party to this Ordinance shall be in writing and shall be given and shall be deemed to have been served and received if: (i) delivered in person to the address set forth below; (ii) deposited in an official depository under the regular care and custody of the United States Postal Service located within the confines of the United States of America and sent by certified mail, return receipt requested, and addressed to such party at the address hereinafter specified; or (iii) delivered to such party by courier receipted delivery. Either party may designate another address within the confines of the continental United States of America for notice, but until written notice of such change is actually received by the other party, the last address of such party designated for notice shall remain such party's address for notice.

Town
City Manager
Town of Addison
5300 Belt Line Road
Dallas, TX 75254

ONCOR
Regulatory Affairs
Oncor Electric Delivery Company LLC
1616 Woodall Rodgers Fwy., 6th Floor
Dallas, TX 75202-1234

Upon request, Oncor shall provide the Town with current contact information for the Town's use in forwarding customer inquiries and complaints to Oncor.

SECTION 16. SAVINGS CLAUSE. The repeal of any Ordinance or part of Ordinances effectuated by the enactment of this Ordinance shall not be construed as abandoning any action, claims or penalties under any such prior Ordinance by either party, subject to applicable statute of limitations.

SECTION 17. PUBLIC HEARINGS. It is hereby officially found that the meeting at which this Ordinance is passed is open to the public and that due notice of this meeting was posted by Town, all as required by law.

SECTION 18. GOVERNING LAW AND VENUE. This Franchise Ordinance shall be construed and governed by the laws of the State of Texas. Town and Oncor agree that venue for any action between the Town and Oncor concerning this Ordinance will be filed in the state of Texas.

PASSED AND APPROVED the 1st reading at a regular meeting of the City Council of Addison, Texas, on this the 23rd day of June, 2020.

PASSED AND APPROVED the 2nd and final reading at a regular meeting of the City Council of Addison, Texas, on this the 11th day of August, 2020.

Joe Chow, MAYOR

ATTEST:

Irma Parker, CITY SECRETARY

APPROVED AS TO FORM:

Brenda McDonald, CITY ATTORNEY