

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING AN AGREEMENT FOR GRANT FUNDING BETWEEN THE TOWN OF ADDISON AND WATERTOWER THEATRE TO PROVIDE \$226,589.00 IN GRANT FUNDING WITH PERFORMANCE MEASURES, \$48,411.00 AS AN IN-KIND DONATION FROM THE TOWN AND ADDITIONAL FUNDING NOT TO EXCEED \$100,000.00 IN MATCHING FUNDS; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City Council of the Town of Addison, Texas (“City Council”) has investigated and determined that it is in the best interest of the Town of Addison, Texas (“Town”) to provide a grant of public funds to various non-profit organizations that provide public programs directly benefiting the Town’s citizens as well as the general public; and

**WHEREAS**, the City Council has adopted a non-profit organization donation grant program (“Program”) whereby these organizations may apply on an annual basis for public funds that will be used for public purposes within the Town, as determined by the Town; and

**WHEREAS**, the City Council has authorized funding for the Program in the Town’s current fiscal year budget; and

**WHEREAS**, WaterTower Theatre submitted a Program application to the Town for consideration; and

**WHEREAS**, the Town has reviewed the Program application and investigated and determined that the requests set forth in therein are for a public purpose and will benefit its citizens; and

**WHEREAS**, the Town and WaterTower Theatre desire to enter into the attached agreement to set forth the terms and conditions regarding WaterTower Theatre’s use of the allocated Program funding.

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

**SECTION 1.** The recitals set forth above are true and correct and are incorporated as if fully set forth herein.

**SECTION 2.** The Agreement for Grant Funding between the Town and WaterTower Theatre to provide \$226,589.00 in grant funding with performance measures, \$48,411.00 as an in-kind donation from the Town and additional funding not to exceed \$100,000.00 in matching funds, a copy of which is attached to this Resolution as **Exhibit A**, is hereby approved. The City Manager is hereby authorized to execute said agreement.

**SECTION 3.** 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 12<sup>th</sup> day of OCTOBER 2021.

**TOWN OF ADDISON, TEXAS**

\_\_\_\_\_  
Joe Chow, Mayor

**ATTEST:**

\_\_\_\_\_  
Irma Parker, City Secretary

# EXHIBIT A

STATE OF TEXAS                   §  
  §                   **AGREEMENT FOR GRANT FUNDING**  
COUNTY OF DALLAS           §

This Agreement for Grant Funding (“Agreement”) is made and entered into as of the 1st day of October, 2021 by and between the Town of Addison, Texas (the “City”) and WaterTower Theatre (the “Organization”).

## WITNESSETH:

**WHEREAS**, the City Council has investigated and determined that it is in the best interest of the City to provide a grant of public funds to various organizations that promote public purposes and benefit the public within the City; and

**WHEREAS**, the City Council has adopted an application process (“Application”) whereby these organizations may apply for public funds that will be used for public purposes within the City, as determined by the City; and

**WHEREAS**, the Organization submitted an Application to the City for consideration; and

**WHEREAS**, the City has reviewed the Application, investigated and determined that the requests set forth in the Application are for a public purpose and will benefit its citizens; and

**WHEREAS**, the City and Organization desire to enter into this Agreement to set forth the terms and conditions regarding the Organization’s use of the public funds.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and agreements hereinafter set forth, the benefits flowing to each of the parties hereto, and other good and valuable consideration, the Town of Addison, Texas and the Organization do hereby agree as follows:

### I. TERM

The term of this Agreement shall be for a period of one year from the 1st day of October, 2021, through the 30th day of September, 2022, except as otherwise provided for herein, and subject to the earlier termination of this Agreement (“Term”). The Program, hereinafter defined, must be completed during the Term of the Agreement to the satisfaction of the City.

### II. GRANT USE

Any Funding received by the Organization pursuant to this Agreement shall be for the benefit of and for the promotion of public purposes within the Addison community and must not conflict with the Organization’s Application which is herein incorporated by reference. This Agreement does not bind the Organization to complete any specific program detailed below, however, the Organization shall, in good faith, complete all programs to the best of their ability pursuant to this

Agreement. If the Organization determines that any program cannot be completed, it shall immediately inform the City in writing.

Accordingly, the Organization shall complete the following program(s) with the assistance of grant funding received by the City (collectively, the “Program”):

- (a) One co-production with The Dallas Opera which will be presented via Video on Demand for three months of digital streaming;
- (b) Main Stage Season of 4 shows (40 performances in person using the State of Texas guidelines for social distancing in effect at time of the performance);
- (c) One Workshop with public final performance;
- (d) Facilitating The Addison Theatre Centre and marketing for increased growth;
- (e) Presenting 4-5 shows in new “WaterTower Presents” series;
- (f) Continuing education and vocational training for emerging artists and designers; and
- (g) Summer Internship (Summer 2022).

The Organization shall submit detailed quarterly program results to the City listing the expenditures made by the Organization with the Funding received pursuant to this Agreement by the following dates:

January 30, 2022  
April 30, 2022  
July 30, 2022  
October 30, 2022

### **III. FUNDING**

The City shall pay to the Organization the sum of no more than Two Hundred Twenty Six Thousand Five Hundred Eighty Nine and No/100 Dollars (\$226,589.00) (“Funding”) as follows: fifty percent (50%) of the Funding shall be paid to the Organization within thirty (30) days of the City’s execution of this Agreement, and the remaining fifty percent (50%) of the Funding shall be paid to the Organization on May 30, 2022. However, the Organization may send a written request to the City Manager’s Office for an advance of the second fifty percent (50%) distribution prior to May 30, 2022. Approval of such an advance of Funding shall be at the City Manager or City Manager designee’s sole discretion. All Funding shall be made contingent upon the Organization’s compliance with the Agreement terms and conditions herein. Funding shall never carry over into the subsequent fiscal year. If the Organization fails to complete any Program within the Term, the Organization shall immediately inform the City in writing.



The City agrees to make an in-kind donation to the Organization in an amount not to exceed Forty-Eight Thousand Four Hundred Eleven and No/100 Dollars (\$48,411.00). Sixteen Thousand Four Hundred and No/100 Dollars (\$16,400.00) of which shall be designated for Office Rent and Thirty-Two Thousand Eleven and NO/00 Dollars (\$32,011.00) of which shall be designated for Production Rent.

Notwithstanding anything provided in this Section and in accord with the description of "Matching Funds" and the process for distribution of Matching Funds, attached hereto as **Exhibit "A"** and incorporated herein by reference, the parties agree that the Organization is eligible for an additional **One Hundred Thousand and No/100 Dollars (\$100,000.00)** at the sole discretion and determination of the City if the Organization can demonstrate to the satisfaction of the City that it has accumulated additional Program funding from sources outside of the City in the amount of **One Hundred Thousand and No/100 Dollars (\$100,000.00)** within the Term of this Agreement ("Matching Funds").

The Funding (including all Matching Funds) shall be paid solely from lawfully available funds. Under no circumstances shall the obligations of the City hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. The Funding shall be paid from funds of the City consistent with Article III, Section 52(a) of the Texas Constitution. Further, the City shall not be obligated to pay any commercial bank, lender or similar institution for any loan or credit agreement made by the Organization. None of the obligations of the City under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution.

#### IV. RESPONSIBILITY; INDEMNIFICATION

**(A) THE ORGANIZATION AGREES TO ASSUME AND DOES HEREBY ASSUME ALL RESPONSIBILITY AND LIABILITY FOR DAMAGES OR INJURIES SUSTAINED BY PERSONS OR PROPERTY, WHETHER REAL OR ASSERTED, BY OR FROM THE PERFORMANCE OF THE PROGRAM PERFORMED AND TO BE PERFORMED HEREUNDER BY THE ORGANIZATION OR BY ITS OFFICIALS, OFFICERS, EMPLOYEES, OWNERS, MEMBERS, AGENTS, SERVANTS, INVITEES, GUESTS, VOLUNTEERS, CONTRACTORS, SUBCONTRACTORS, OR ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY ANY OF THEM OR ANYONE FOR WHOSE ACTS ANY OF THEM MAY BE LIABLE.**

**(B) INDEMNITY OWED BY THE ORGANIZATION. THE ORGANIZATION COVENANTS AND AGREES TO FULLY DEFEND, INDEMNIFY AND HOLD HARMLESS THE TOWN OF ADDISON, TEXAS AND THE ELECTED AND APPOINTED OFFICIALS, THE OFFICERS, EMPLOYEES, 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 AND APPOINTED OFFICIALS, THE OFFICERS, EMPLOYEES, REPRESENTATIVES, AND VOLUNTEERS OF THE TOWN OF ADDISON, TEXAS EACH BEING AN "ADDISON PERSON" AND COLLECTIVELY THE "ADDISON PERSONS"), FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, LIENS, HARM,**

DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PROCEEDINGS, JUDGMENTS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY, AND SUITS, OF ANY KIND AND NATURE WHATSOEVER MADE UPON OR INCURRED BY ANY ADDISON PERSON, WHETHER DIRECTLY OR INDIRECTLY, (THE "CLAIMS"), THAT ARISE OUT OF, RESULT FROM, OR RELATE TO: (1) THE PROGRAM AS DESCRIBED IN SECTION II OF THIS AGREEMENT; (2) REPRESENTATIONS OR WARRANTIES BY THE ORGANIZATION UNDER THIS AGREEMENT; AND/OR (3) ANY OTHER ACT OR OMISSION UNDER OR IN PERFORMANCE OF THIS AGREEMENT BY THE ORGANIZATION, OR ANY OWNER, OFFICER, DIRECTOR, MANAGER, EMPLOYEE, AGENT, REPRESENTATIVE, CONSULTANT, CONTRACTOR, SUBCONTRACTOR, LICENSEE, INVITEE, PATRON, GUEST, CUSTOMER, OR CONCESSIONAIRE OF OR FOR THE ORGANIZATION, OR ANY OTHER PERSON OR ENTITY FOR WHOM THE ORGANIZATION IS LEGALLY RESPONSIBLE, AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, AGENTS, REPRESENTATIVES, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES, INVITEES, PATRONS, GUESTS, CUSTOMERS, AND CONCESSIONAIRES. SUCH DEFENSE, INDEMNITY AND HOLD HARMLESS SHALL AND DOES INCLUDE CLAIMS ALLEGED OR FOUND TO HAVE BEEN CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF ANY ADDISON PERSON, OR CONDUCT BY ANY ADDISON PERSON THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.

THE ORGANIZATION SHALL PROMPTLY ADVISE THE CITY IN WRITING OF ANY CLAIM OR DEMAND AGAINST ANY ADDISON PERSON OR THE ORGANIZATION RELATED TO OR ARISING OUT OF THE ORGANIZATION'S ACTIVITIES UNDER THIS AGREEMENT AND SHALL SEE TO THE INVESTIGATION AND DEFENSE OF SUCH CLAIM OR DEMAND AT THE ORGANIZATION'S SOLE COST AND EXPENSE (NOT TO EXCEED \$350.00 PER HOUR). THE ADDISON PERSONS SHALL HAVE THE RIGHT, AT THE ADDISON PERSONS' OPTION AND AT OWN EXPENSE, TO PARTICIPATE IN SUCH DEFENSE WITHOUT RELIEVING THE ORGANIZATION OF ANY OF ITS OBLIGATIONS HEREUNDER.

THE PROVISIONS OF THIS SECTION IV, INCLUDING THE DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION, AND ANY OTHER DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SET FORTH IN THIS AGREEMENT, SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT.

#### V. TERMINATION

This Agreement may be canceled and terminated by either party at any time and for any reason or no reason upon giving at least thirty (30) days written notice to the other party hereto. Notice of termination shall be sent in compliance with Section XVII herein. IMMEDIATELY UPON TERMINATION OF THIS AGREEMENT, ANY FUNDING NOT PROPERLY ALLOCATED TO THE PROGRAM HEREIN, AS DETERMINED BY THE CITY IN ITS SOLE DISCRETION, SHALL BE RETURNED.



Upon Agreement termination and payment or tender of any refund, all obligations of the Organization under this Agreement shall be discharged, except as otherwise provided herein (e.g., obligations surviving termination of this Agreement). After which, no action shall lie or accrue for additional benefit, consideration or value for or based upon the Program performed under or pursuant to this Agreement.

## VI. CONFLICT OF INTEREST

(a) No officer or employee of the City shall have any interest or receive any benefit, direct or indirect, from this Agreement or the proceeds thereof. This prohibition is not intended and should not be construed to preclude payment of expenses legitimately incurred by City officials in the conduct of the City's business. No officer, employee, representative, or volunteer of the Organization shall have any financial interest, direct or indirect, in this Agreement or the proceeds hereof.

(b) For purposes of this section, "benefit" means anything reasonably regarded as an economic advantage, including benefit to any other person in whose welfare the beneficiary is interested, but does not include contributions or expenditures made and reported in accordance with any law.

## VII. ACCOUNTING

Prior to adopting its annual budget, the Organization shall submit a budget showing the use of the Funding provided, pursuant to this Agreement, for the City's review and the Organization shall make such quarterly financial reports to the City, as provided for herein, listing the expenditures made by the Organization from the Funding. The City's approval of the Organization's annual budget creates a fiduciary duty in the Organization with respect to the Funding provided under this Agreement.

Funding received hereunder may be spent for day-to-day operations, supplies, salaries and administrative costs (including the completion of a compilation report), provided that such costs are necessary for Program completion purposes, for which the Funding may be used as described herein.

The Organization shall maintain complete and accurate financial records of all revenues, expenses, assets and liabilities, including, without limitation, each expenditure of Funding received pursuant to this Agreement. Financial records shall be sent to the City quarterly in the form of both a profit-loss statement and balance sheet in accord with generally accepted accounting principles (GAAP). Upon request by the City, the Organization shall make its financial records available for inspection and review by the City or its designated representative(s).

Within ninety (90) days of the end of the Organization's fiscal year, the Organization shall provide the City with a financial statement signed by the Chairman of the Organization's Board of Directors (or other person acceptable to the City) and audited by an independent Certified Public Accountant, at the Organization's expense, setting forth the Organization's income, expenses, assets and liabilities. SUCH OBLIGATION SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT. If this Agreement is terminated prior to its expiration, the Organization

shall provide such reports as required for the City for the period prior to the expiration for which reports have not been provided, and such obligation shall survive the termination hereof.

All application materials, financial information, quarterly (or other) reports, any other information described herein or required hereunder, and general correspondence with the City must be submitted to the City in electronic format to the City email address specified in the application packet. Additionally, the City may require that such materials, information, reports, and correspondence also be provided to the City in a hard-copy, non-electronic format.

### **VIII. ADDITIONAL REQUIREMENTS OF THE ORGANIZATION**

The Organization agrees to the following:

(a) The City may conduct an on-site visit to the Organization during the Term;

(b) Within thirty (30) days of the City's execution of this Agreement, the Organization shall provide to the City a current list of all Organization board members and a schedule of all board meetings. A representative from the City may choose to attend any scheduled board meetings. The City shall be immediately notified in writing of any changes to the schedule; and

(c) The City, through its official logo(s), shall be prominently recognized as a supporter of the Organization in all marketing materials produced or published by the Organization during the term hereof (including all print and digital marketing materials regardless of platform). The Organization shall notify the City in writing of its intent to produce or publish any such marketing materials and provide the City a reasonable opportunity to elect to have its logo(s) removed from the materials prior to publication. The Organization shall use the City's designated logo(s) in strict conformance with the City's currently adopted branding guidelines. The City hereby grants the Organization a limited, non-exclusive license to use the City's logo solely for the foregoing purposes and the trade names, trademarks, service marks, logos, designs, identification, decals, artwork and other symbols and devices associated with the City ("City Marks") shall at all times remain the sole and exclusive property of the City. The Organization shall not license, sublicense, or use the City Marks in any manner, other than as expressly permitted in this subsection (c), without the prior written approval of the City.

### **IX. INDEPENDENT CONTRACTOR**

In completing the Program under this Agreement, the relationship between the City and the Organization is that of independent contractor, and the City and the Organization by the execution of this Agreement do not change the independent status of the Organization. The Organization is an independent contractor, and no term or provision of this Agreement or action by the Organization in the performance of this Agreement is intended nor shall be construed as making the Organization the agent, servant or employee of the City, or to create an employer-employee relationship, a joint venture relationship, or a joint enterprise relationship, or to allow the City to exercise discretion or control over the manner in which the Organization performs the Program which is described in this Agreement.



**X. NON-ASSIGNABILITY; NO THIRD-PARTY BENEFIT**

The parties agree the Organization has no authority to assign, transfer, or otherwise convey, by any means whatsoever, this Agreement or any of the rights, duties or responsibilities hereunder without obtaining the prior written approval of the City. Any attempted assignment, transfer, or other conveyance of this Agreement without such approval shall be null and void and be cause for immediate termination of this Agreement by the City.

This Agreement is solely for the benefit of the parties hereto and is not intended to and shall not be deemed to create or grant any rights, contractual or otherwise, to any third person or entity.

**XI. NO PARTNERSHIP, JOINT VENTURE, OR JOINT ENTERPRISE**

Nothing contained in this Agreement shall be deemed to constitute that the City and the Organization are partners or joint ventures with each other, or shall be construed or be deemed to establish that their relationship constitutes, or that this Agreement creates, a joint enterprise.

**XII. NON-DISCRIMINATION**

During the term of this Agreement, the Organization agrees that it shall not discriminate against any employee or applicant for employment because of race, age, color, sex (as defined by applicable state and federal law), religion, ancestry, national origin, disability, veteran status, place of birth, or handicap.

**XIII. LEGAL COMPLIANCE; AGREEMENT SUBJECT TO LAWS; RECITALS**

The Organization shall observe and abide by, and this Agreement is subject to, all applicable federal, state, and local (including the City) laws, rules, regulations, and policies (including, without limitation, the Charter and Ordinances of the City), as the same currently exist or as they may be hereafter amended.

The Organization acknowledges that any and all records of the Organization, including but not limited to documents which describe, relate to, convey and/or illustrate the obligations, terms and conditions set forth in this Agreement may be subject to the Texas Public Information Act (the "Act"), Texas Government Code Chapter 552, as amended. The Organization agrees to fully and promptly cooperate with the City in responding to requests for information received by the City for the foregoing information pursuant to the Act. In the event the Organization determines that any of its information responsive to a request under the Act is confidential and/or exempt from disclosure to the public under the provisions of the Act, the Organization shall, at its cost, be solely responsible for asserting arguments to the Office of the Attorney General pursuant to §552.305(b) of the Act, and for filing any and all subsequent appeals relating to an opinion of the Texas Attorney General that requires disclosure of the Organization's confidential information. Notwithstanding the foregoing, the Organization agrees that the City may, but shall be under no obligation to, submit arguments to the Attorney General relating to reasons the Organization's confidential information is exempt from disclosure to the public under the Act, regardless of whether the Organization has asserted its own arguments to the Attorney General.

The above and foregoing recitals to this Agreement are true and correct and incorporated herein and made a part hereof.

#### **XIV. VENUE; GOVERNING LAW**

In the event of any action under this Agreement, exclusive venue for all causes of action shall be instituted and maintained in Dallas County, Texas. The parties agree that the laws of the State of Texas shall govern and apply to the interpretation, validity and enforcement of this Agreement; and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement.

#### **XV. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

#### **XVI. NO WAIVER; RIGHTS CUMULATIVE**

The failure by either party to exercise any right or power, or option given to it by this Agreement, or to insist upon strict compliance with the terms of this Agreement, shall not constitute a waiver of the terms and conditions of this Agreement with respect to any other or subsequent breach thereof, nor a waiver by such party of its rights at any time thereafter to require exact and strict compliance with all the terms hereof. The rights or remedies under this Agreement are cumulative to any other rights or remedies, which may be granted by law.

#### **XVII. NOTICES**

All notices, communications and reports, required or permitted under this Agreement shall be personally delivered or mailed to the respective parties using certified mail, return receipt requested, postage prepaid, at the addresses shown below. The City and the Organization agree to provide the other with written notification within five (5) days, if the address for notices, provided below, is changed. Notices by personal delivery shall be deemed delivered upon the date delivered; mailed notices shall be deemed communicated on the date shown on the return receipt. If no date is shown, the mailed notice shall be deemed communicated on the third (3rd) day after depositing the same in the United States mail.

The City's address:  
Attn: City Manager  
Town of Addison  
5300 Belt Line Road  
Dallas, Texas 75254

The Organization's address:  
Mr. Shane Peterman  
WaterTower Theatre  
15650 Addison Road  
Addison, Texas 75001

Email Address for Financial Reports:

[aboatright@addisontx.gov](mailto:aboatright@addisontx.gov)

**XVIII. SEVERABILITY**

The terms of this Agreement are severable, and if any section, paragraph, clause, or other portion of this Agreement shall be found to be illegal, unlawful, unconstitutional or void for any reason, the balance of the Agreement shall remain in full force and effect and the parties shall be deemed to have contracted as if said section, paragraph, clause or portion had not been in the Agreement initially.

**XIX. AUTHORITY TO EXECUTE AGREEMENT**

The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

**XX. ENTIRE AGREEMENT**

This Agreement represents the entire and integrated Agreement and agreement between the City and the Organization and supersedes all prior negotiations, representations and/or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the City and the Organization.

**XXI. SOVEREIGN IMMUNITY**

The parties agree that the City has not waived its sovereign immunity by entering into and performing its obligations under this Agreement.

**XXII. NO BOYCOTT ISRAEL**

Pursuant to Texas Government Code Chapter 2270, Organization's execution of this Agreement shall serve as verification that the Organization does not presently boycott Israel and will not boycott Israel during the term of this Agreement.

[signature page follows]



IN WITNESS THEREOF, the parties hereto have caused this Agreement to be signed by their proper corporate officers as first above specified, and have caused their proper corporate seal to be hereto affixed the day and year first above written.

**TOWN OF ADDISON, TEXAS**

**WATERTOWER THEATRE**

By: \_\_\_\_\_  
Wesley S. Pierson  
City Manager

By: \_\_\_\_\_  
Mr. Shane Peterman  
Producing Artistic Director

Date: \_\_\_\_\_

Date: 3/20/21 \_\_\_\_\_

**EXHIBIT "A"**

**DESCRIPTION OF "MATCHING FUNDS" AND PROCESS  
FOR DISTRIBUTION OF MATCHING FUNDS  
FOR WATERTOWER THEATRE  
INCORPORATED FROM HOTEL/MOTEL  
TAX FUNDS**

For each One Dollar of Theatre Funds (as defined herein) actually received by WaterTower Theatre ("WTT"), the City shall pay to WTT an equal amount ("Matching Funds") up to but not exceeding One Hundred Thousand and No/100 Dollars (\$100,000). In order to receive Matching Funds, WTT shall provide to the City such proof of its receipt of Theatre Funds as the City shall reasonably require. **Beginning January 1, 2022, WTT may make application on or before the 15<sup>th</sup> day of each month for distribution of Matching Funds and the City shall pay such matching funds provided the City has received adequate proof, in the City's sole opinion, of the actual receipt of Theatre Funds by WTT as set forth in each application. Disbursements are made in a minimum of \$5,000 increments.**

For the purposes of this Agreement, the term "Theatre Funds" shall mean and include: (i) cash funds actually received by WTT during the term hereof from any gifts, grants, donations, or other cash contributions from any person or business entity (whether for-profit or non-profit), and (ii) that amount of funds determined by multiplying (a) the number of 2021-2022 WTT season tickets sold by WTT between January 1, 2021 and November 15, 2021, times (b) the average cost of a single season subscription, times (c) 25%. For purposes of this Agreement, the average cost of a single season subscription shall be \$132.00