REGULAR MEETING
OF THE CITY COUNCIL

February 13, 2023

ADDISON TREEHOUSE

14681 MIDWAY RD. SUITE 200, ADDISON, TX 75001
5:45 PM WORK SESSION
7:30 PM REGULAR MEETING

Notice is hereby given that the Addison City Council will conduct a Regular Meeting on Monday, February 13, 2023 at the Addison TreeHouse. Email comments may be sent to iparker@addisontx.gov by 3:00 pm the day of the meeting. The meeting will be live streamed on Addison's website at www.addisontexas.net.

Call Meeting to Order

Pledge of Allegiance

WORK SESSION

1. Present and Discuss the **Final Conceptual Design for the Beltway Drive Trail and Greenspace and Review Recommended Trail and Wayfinding Signage.**

2. Present and Discuss the **Operations and Financial Reconciliation for Addison Oktoberfest 2022.**

3. Present and Discuss the **2023 Special Events Preview.**

4. Present and Discuss the **Airport Quarterly Report for the Fiscal Year 2023 First Quarter Ended December 31, 2022.**

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.

5. Consider Action on the **Minutes from the January 24, 2023 City Council Meeting.**

6. Consider action on a **Resolution Approving an Agreement with Moore Iacofano Goltsman, Inc. (MIG) for Professional Engineering Services for the Development of Construction Documents for the Addison Beltway Drive Trail Project and Authorizing the City Manager to Execute the Agreement** in an Amount Not to Exceed

$223,000.

7. Consider Action on a Resolution **Approving a First Amendment to Ground Lease with AQRD Hangar Management, LLC for 4582 and 4584 Claire Chennault Drive at Addison Airport and Authorizing the City Manager to Execute the First Amendment to Ground Lease**.

8. Consider Action on a **Resolution Approving the First Amendment to Conventional Hangar Lease for Commercial Aviation Use with Jani-King International, Inc. for 4572 Claire Chennault Drive at Addison Airport and the Termination of the 4570 Claire Chennault Drive Conventional Hangar Lease for Commercial Aviation Use with Jani-King International, Inc. and Authorizing the City Manager to Execute the Agreements.**

9. Consider Action on a **Resolution Approving an Agreement with Jacobs Engineering Group, Inc. for Design Support During Construction Related to the Keller Springs Reconstruction Project and Authorizing the City Manager to Execute the Agreement** in an Amount Not to Exceed $400,000.

10. Consider Action on a Resolution **Approving an Agreement Between the Town of Addison and Kleen Pipe Inc. for the Repair of the Celestial Place Stormwater Piping and Authorizing the City Manager to Execute the Agreement** in an Amount Not to Exceed $57,471.25.

Regular Items

11. Present, Discuss, and Consider Action on **Acceptance of the Fiscal Year 2022 Annual Comprehensive Financial Report (ACFR)**.

12. Hold a Public Hearing, Present, Discuss, and Consider Action on an **Ordinance Rezoning 13.7 Acres Generally Located at the Southeast Corner of Addison Road and Festival Way and the Northeast Corner of Quorum Drive and Arapaho Road, from Commercial-1 (C-1), Planned Development (PD), and Urban Center (UC), to a new Planned Development (PD) Zoning District, to Allow a Transit-Oriented Mixed Use Development Comprised of Multifamily Residential, Office, Parking, Restaurant, Retail, and Entertainment Uses, and Associated Public and Private Open Space and Common**

Areas, Through the Approval of a Concept Plan and Development Standards. Case 1860-Z/Addison Circle Station - Phase I.

13. Hold a Public Hearing, Present, Discuss, and Consider Action on an **Ordinance Adopting a Development Plan for Lots 1 and 5X, Block A of Addison Circle Station – Phase I, Including a Site Plan, Landscape Plan, Facade and Floor Plans for an Office Building with Ground Floor Retail/Restaurant Uses, a Parking Structure, Site Access Drives, and Addison Road and Festival Way Streetscape Improvements on and Adjacent to a 2.7 Acre Property at the Southeast Corner of Addison Road and Festival Way.** Case 1872-Z/Office & Parking Structure, Lots 1 and 5X, Block A, Addison Circle Station – Phase I.

14. Hold a Public Hearing, Present, Discuss, and Consider Action on an **Ordinance Adopting a Development Plan for Lot 3, Block A of Addison Circle Station – Phase I, Including a Site Plan, Landscape Plan, Facade and Floor Plans for a Multifamily Residential Building with Ground Floor Retail/Restaurant Uses, and Festival Way and Quorum Drive Streetscape Improvements on and Adjacent to a 1.8 Acre Property at the Southwest Corner of Quorum Drive and Festival Way.** Case 1874-Z/Multifamily Tower, Lot 3, Block A, Addison Circle Station – Phase I.

15. Hold a Public Hearing, Present, Discuss, and Consider Action on an **Ordinance Adopting a Development Plan for Lot 1, Block B, Addison Circle Station – Phase I, and the Realignment of Spectrum Drive, Including a Site Plan, Landscape Plan, Facade, and Floor Plans for a Multifamily Residential Building with Ground Floor Retail/Restaurant Uses, and Arapaho Road and Quorum Drive Streetscape Improvements on and Adjacent to a 3.5 Acre Property at the Northeast Corner of Arapaho Road and Quorum Drive, and Bisected by Spectrum Drive.** Case 1875-Z/Multifamily Midrise, Lot 1, Block B, Addison Circle Station Phase I.

16. Hold a Public Hearing, Present, Discuss, and Consider Action on an **Ordinance Adopting a Development Plan for Lot 2, Block A of Addison Circle Station – Phase I, Including a Site Plan and Landscape Plan for the Construction of Emergency Access Drives, Pedestrian Ways, and Festival Way Streetscape Improvements on and Adjacent to a 1.9 Acre Property Generally Located South of Festival Way and 400 Feet West of Quorum Drive.** Case 1873-Z/Retail Node, Lot 2, Block A, Addison Circle Station – Phase I.

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) 450-7017 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 2023 **1.**

Meeting Date: 02/13/2023

Department: Parks & Recreation
Pillars: Excellence in Transportation Systems
Milestones: Improve all modes of transportation with infrastructure in an acceptable condition and well maintained

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AGENDA CAPTION:

Present and Discuss the **Final Conceptual Design for the Beltway Drive Trail and Greenspace and Review Recommended Trail and Wayfinding Signage.**

BACKGROUND:

On December 14, 2021, Council approved a professional services agreement with Moore Iacofano Goltsman, Inc. (MIG) for the conceptual design of the Beltway Drive Trail Project. The Beltway Drive Trail Project was identified as a Phase 1 project in the City-Wide Trails Master Plan (CWTMP) that was adopted by Council on May 25, 2021. In addition to the proposed trail and greenspace improvements for Beltway Drive, the CWTMP also recommends the development of Trail Signage and Wayfinding Standards. Development of these standards is included in the scope of the Beltway Drive Trail Project to be included in all future trail signage projects.

On August 23, 2022, a staff presentation to Council included results of public input and staff's recommendations for moving forward with the conceptual design. The final conceptual design of Beltway Drive Trail and Greenspace is complete and staff will make a presentation to the Council for review. Also included in the presentation is the development of Trail Signage and Wayfinding Standards, which are the last steps prior to the development of construction documents. In addition to this presentation, staff placed an item on the consent agenda to approve an agreement with MIG for the development of construction documents for the Beltway Drive Trail Project.

RECOMMENDATION:

Information only, no action required.

Attachments

Presentation- Beltway Drive Trail

Beltway Drive Trail Project And Recommended Trail And Wayfinding Signage Standards

February 13, 2023

Background

- May 25, 2021- Council Adopted the City-Wide Trails Master Plan (CWTMP).
- The Adopted Plan Included Phase 1 Recommendations to include a trail along Beltway Drive as a priority project.
- December 14, 2021- Council Approved an Agreement with Moore Iacofano Goltsman, Inc. (MIG) for Professional Services for Conceptual Design of the Addison Beltway Trail Project and development of Trail and Wayfinding Signage Standards.
- August 23, 2022- Staff presentation to Council included results of public input and recommendations moving forward with conceptual design. Council provided input that was considered in the final development of the concept plan.
- November 2022- Review was made with comments added by DRC staff from multiple departments.
- December 21, 2022- With input from Council and Staff, the Final Concept plan from MIG was accepted.

Background

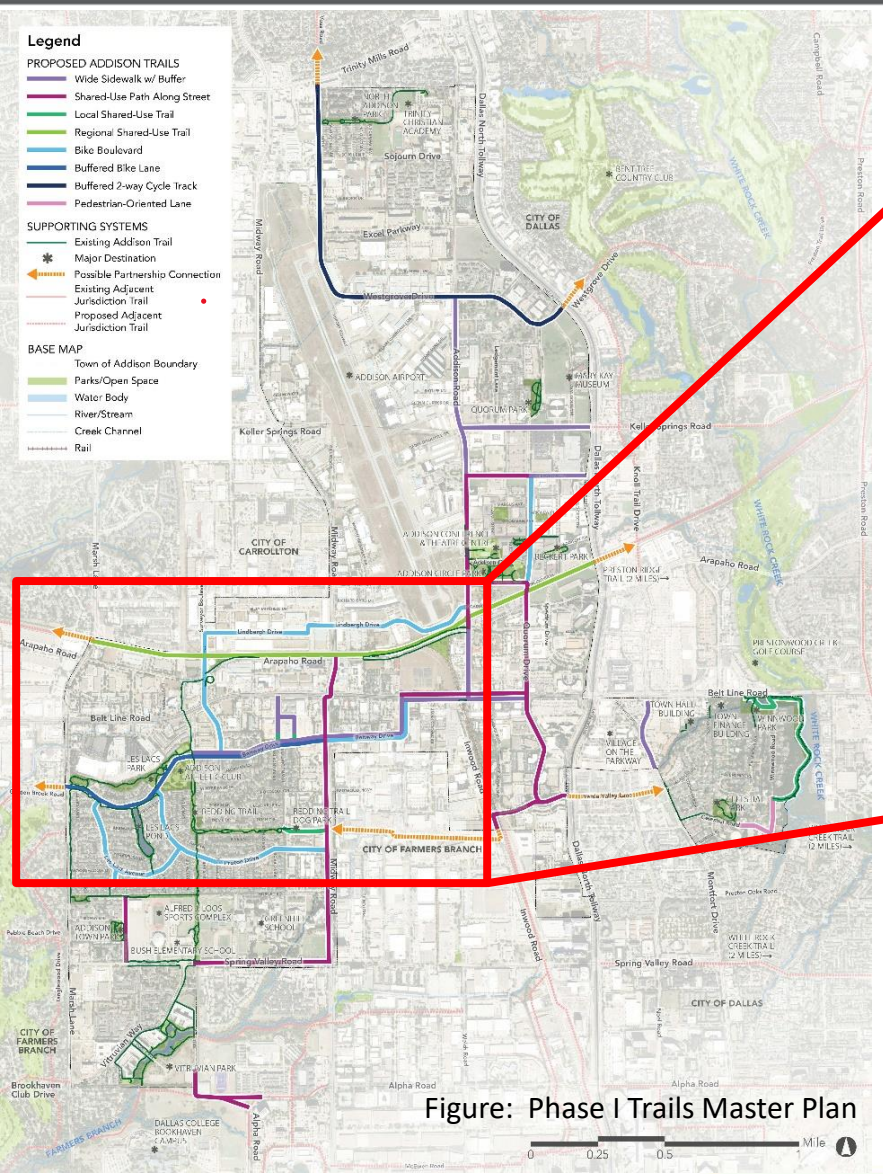
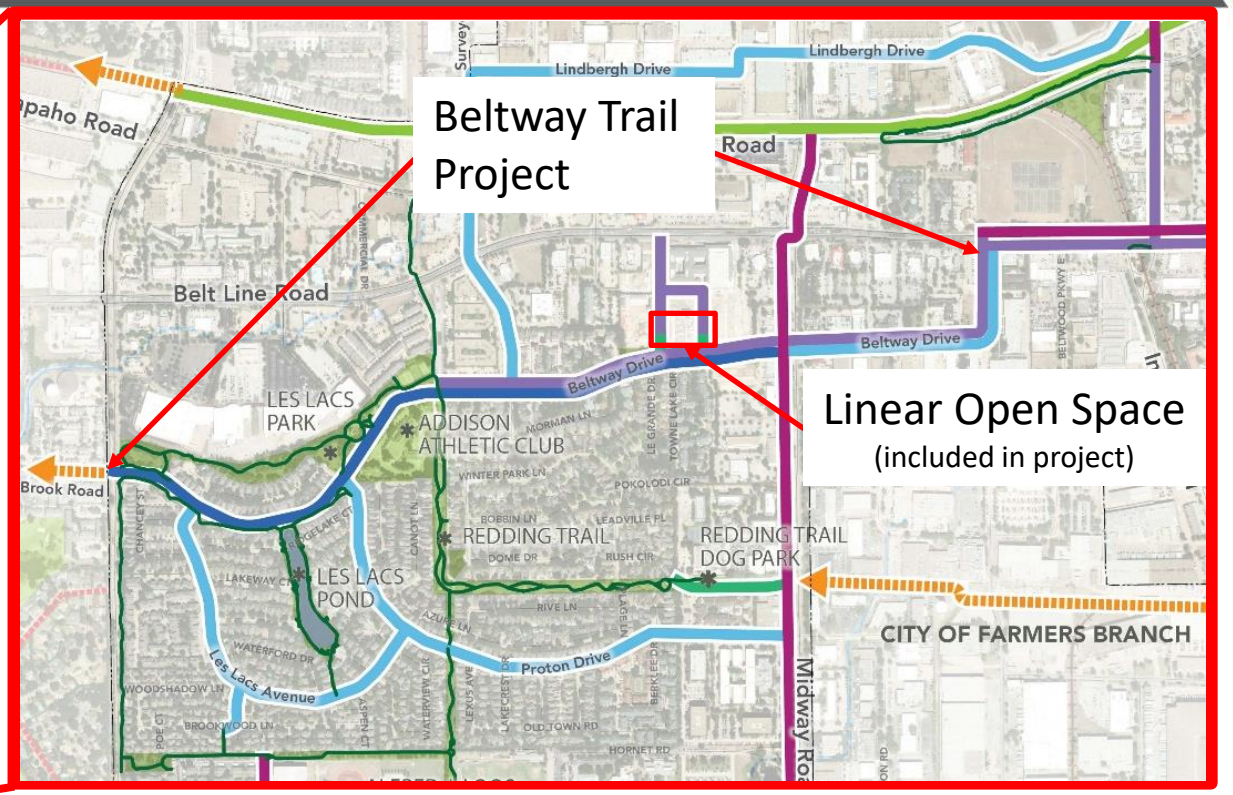
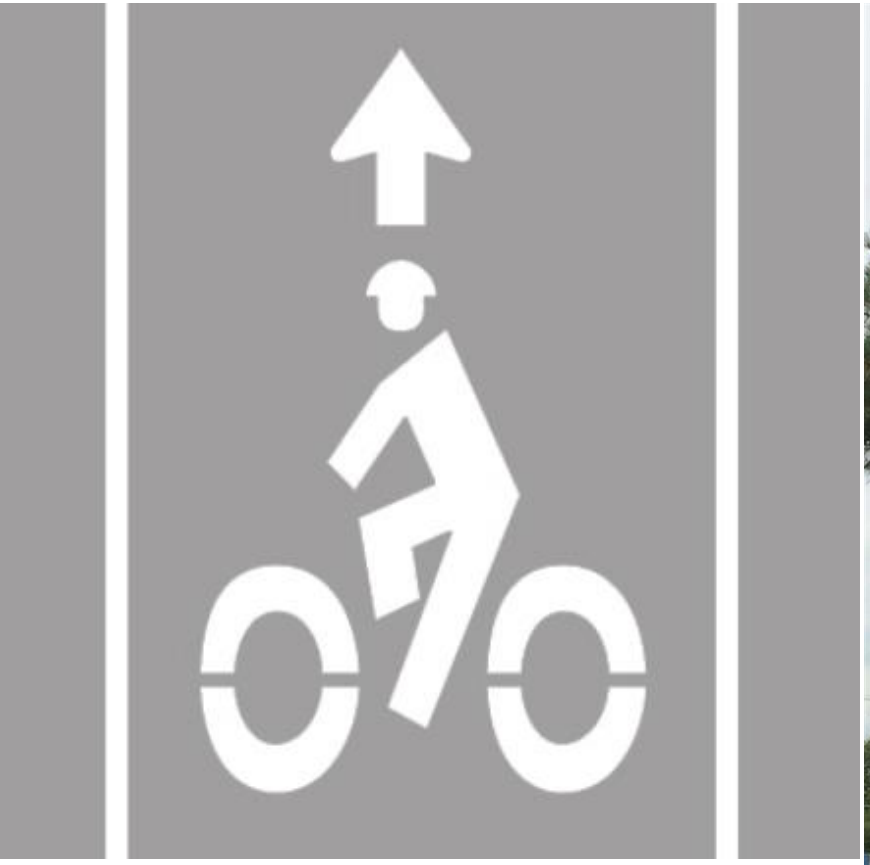


Figure: Phase I Trails Master Plan



Enlargement: Phase 1 Trails Master Plan- Beltway Drive Trail

Markings and Pedestrian Crosswalk Conventions



Bike Lane Markings



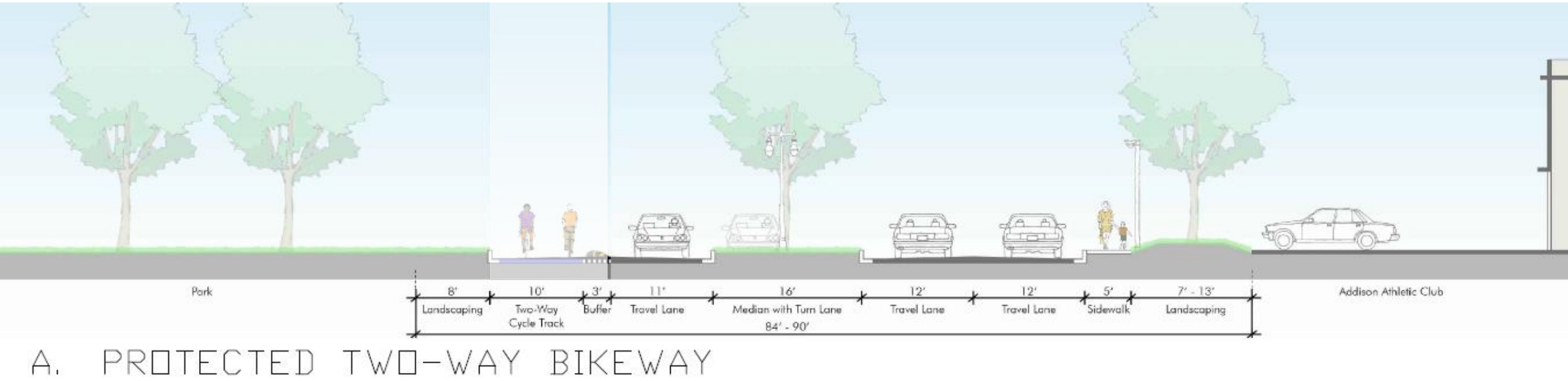
Rectangular Rapid Flashing Beacon



Two Stage Turn Bike Box

Beltway Drive Trail: Conceptual Plan

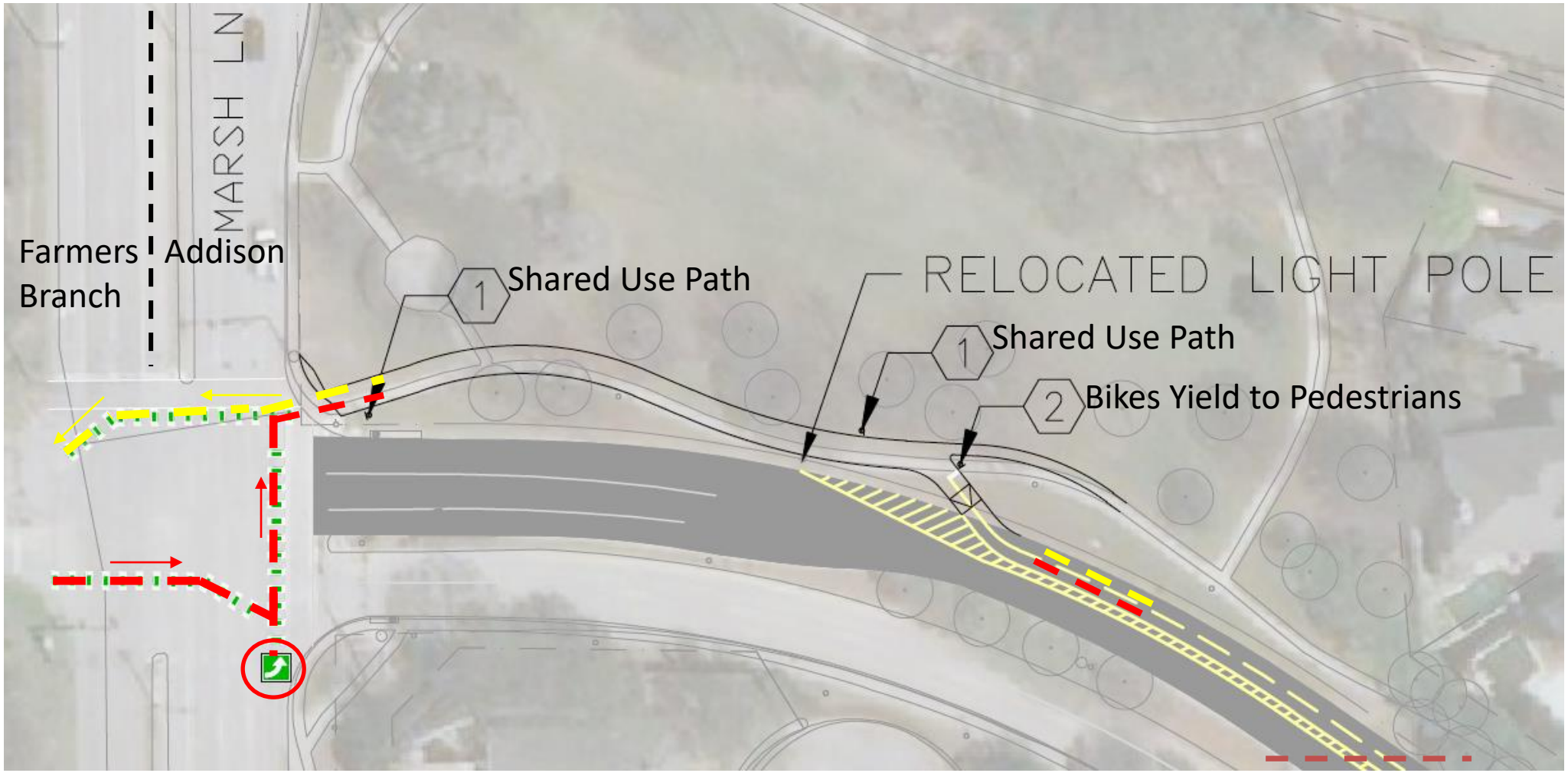
When approving MIG's Professional Services Agreement Council requested that MIG analyze if a buffered two-way cycle track on the north side of Beltway would be more functional than buffered bike lanes on the north and south side of the road due to drive approach conflicts at the Addison Athletic Club.



A. PROTECTED TWO-WAY BIKEWAY

Marsh Lane to Redding Trail

Beltway Drive Trail: Conceptual Plan



Marsh Lane to On-Road Trail on Beltway Drive

Match Line

Beltway Drive Trail: Conceptual Plan

Match Line



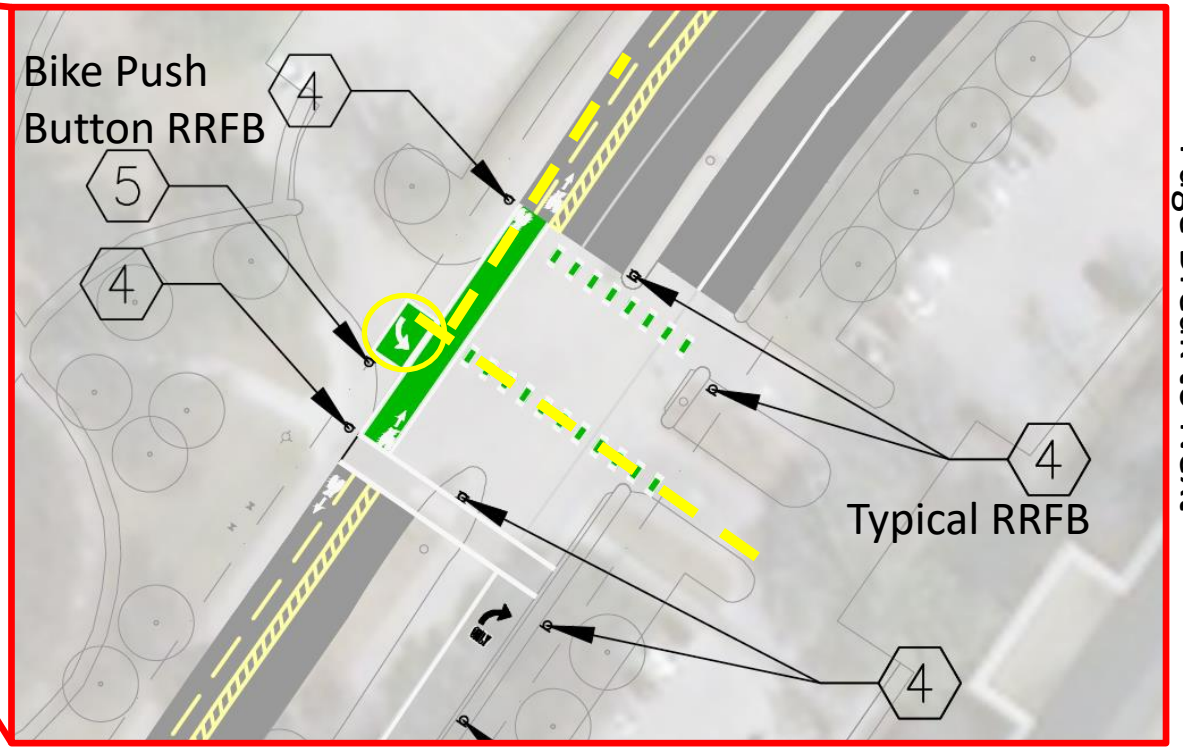
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Les Lacs Avenue to Les Lacs Pond Trail

Beltway Drive Trail: Conceptual Plan

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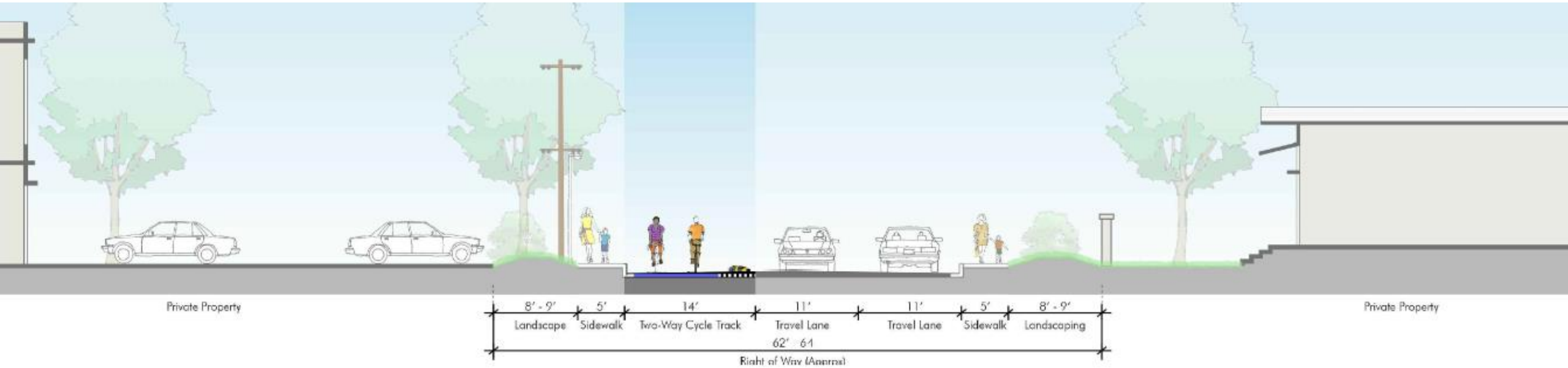




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Addison Athletic Club and Les Lacs Park

Beltway Drive Trail: Conceptual Plan

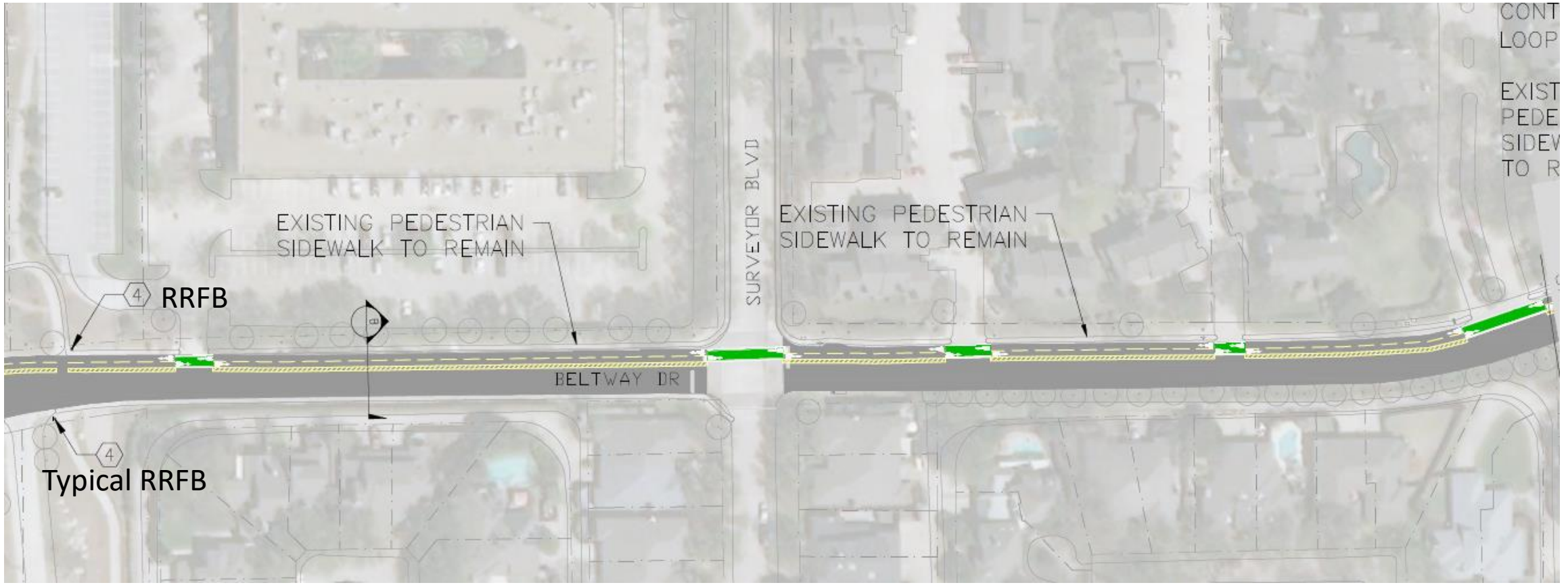


B. PROTECTED TWO-WAY BIKEWAY

Redding Trail to Greenspace
South of Addison Grove

Beltway Drive Trail: Conceptual Plan

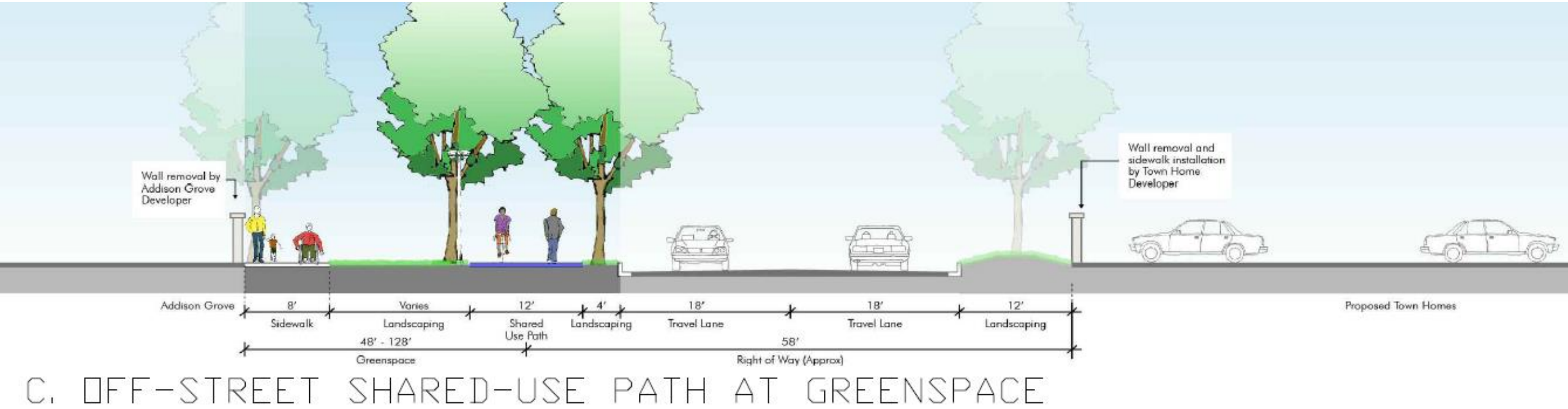
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Redding Trail to Morman Lane

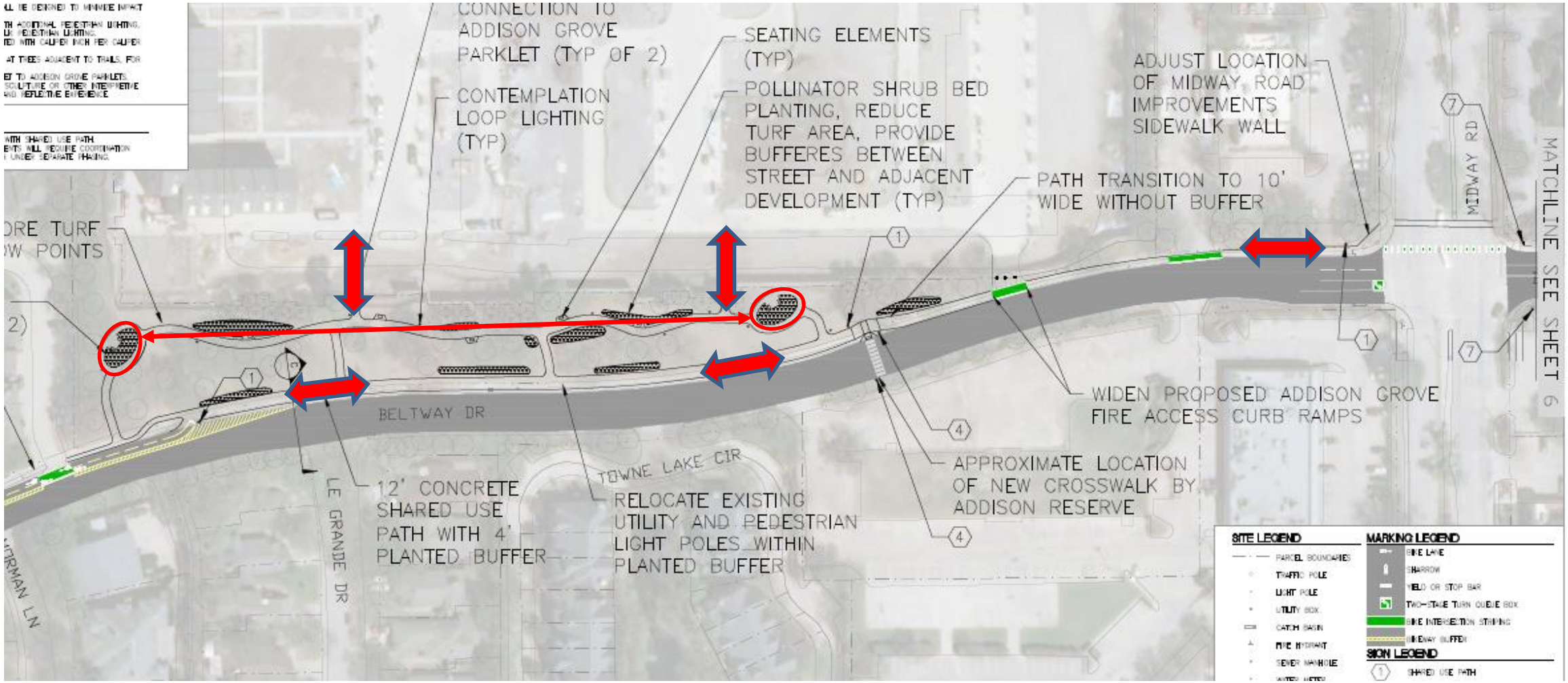
Beltway Drive Trail: Conceptual Plan



Greenspace South of Addison Grove

Beltway Drive Trail: Conceptual Plan

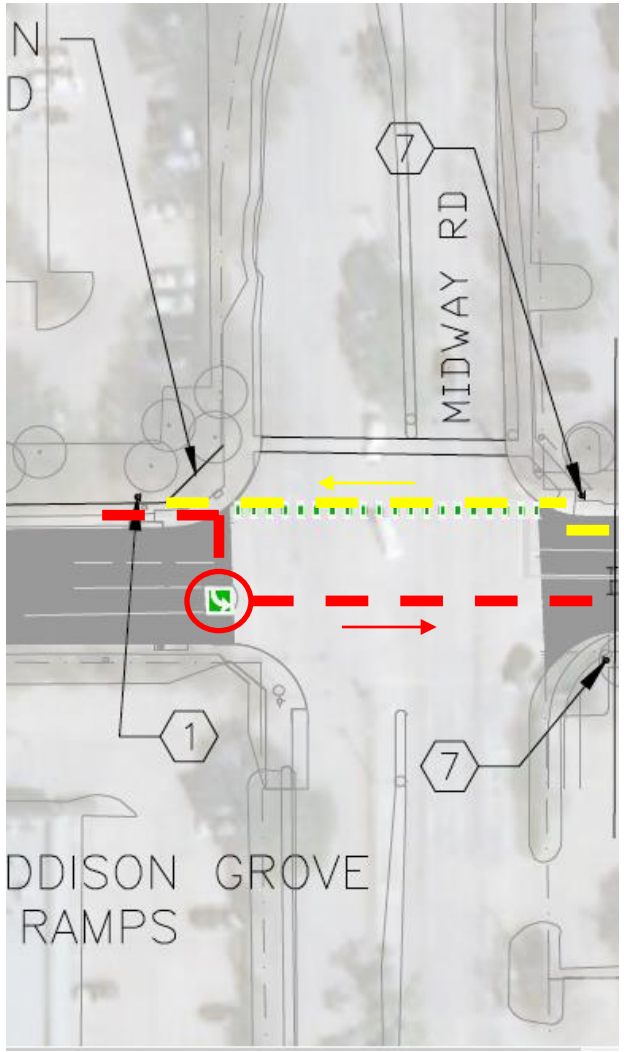
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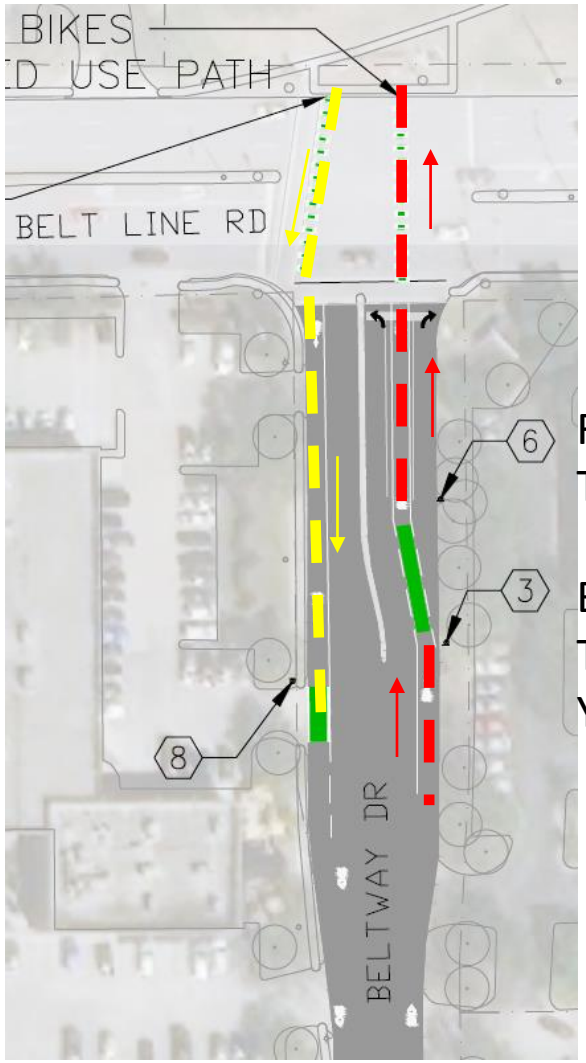
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Greenspace South of Addison Grove to Midway Road

Beltway Drive Trail: Conceptual Plan



Beltway Drive and Midway Road



Right Lane Must Turn Right

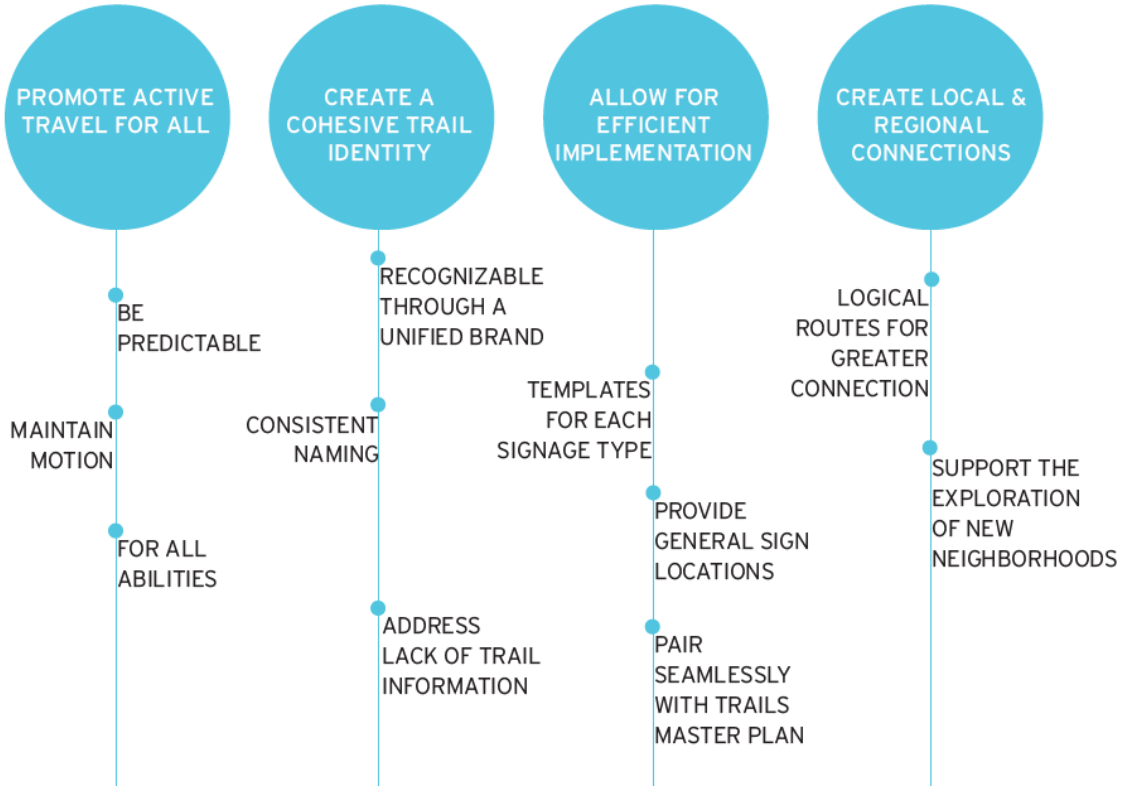
Begin Right Turn Lane
Yield to Bikes

Beltway Drive and Belt Line Road

Recommended Trail and Wayfinding Standards

ADDISON SIGNAGE & WAYFINDING

PURPOSE



Recommended Trail and Wayfinding Standards

Relevant Planning Documents that were considered when developing Addison Signage and Wayfinding

- City-Wide Trails Master Plan (CWTMP) (Addison)
- Addison Parks, Recreation and Open Space Master Plan (PROS) (Addison)
- Addison Master Transportation Plan (Addison)
- Fort Worth To Dallas Regional Wayfinding & Branding (NCTCOG)
- Klamath Falls Trails Wayfinding Plan (Precedent Study)

Recommended Trail and Wayfinding Standards

ADDISON

ADDISON SIGNAGE & WAYFINDING

SIGN TYPE KEY

ID Gateway

Contains trail identifying information, useage types, a map of trail system including highlighted trail, and directional information panels. Placed at prominent trail entrance points.



ID Directional

Contains trail identifying information, useage types, and directional information panels. Placed at prominent trail entrance points. Placed along the trail at intersections with non-trail paths.



Directional

Contains minimal trail identifying information but has Addison branding, useage types and directional information panels. Placed at prominent trail junctions, especially intersections with other noted trails.



Mile Marker

Milage reference markers located within 50 feet of the measurement from the trailhead. Branded based on respective Loop Trail.



Park Regulatory

Displays rules and regulated activity within parks. Typically in the form of a list or bullets. We suggest updating current signage, shown below, with integrated styles from new wayfinding signs.



Destinations

PRIMARY
- Addison Circle Park
- Belt Line Road
- Addison Transit Center
- South Quorum
- Addison Circle
- Vitruvian
- Farmers Branch
- Carrollton
- Dallas
- Addison Conference & Theater Centre
- Addison Athletic Club

SECONARY
- Beckert Park
- Parkview Park
- Quorum Park
- Bosque Park
- North Addison Park
- Les Lacs Park & Pond
- Celestial Park
- Addison Town Park
- Winnwood Park
- Vitruvian Park
- White Rock Creek Trail
- Redding Trail
- Dallas College Brookhaven Campus
- Greenhill School

TERTIARY
- Spruill Dog Park
- Redding Trail Dog Park
- Addison Community Garden
- Trinity Christian Academy
- Anne Frank Elementary
- Bush Elementary
- Addison Town Hall
- Dome Park
- Arapaho Park
- Easement Park

Recommended Trail and Wayfinding Standards



Questions

Next Step
Consent Agenda Regular Session:

Consider action on a **Resolution Approving an Agreement with Moore Iacofano Goltsman, Inc. (MIG) for Professional Engineering Services for the Development of Construction Documents for the Addison Beltway Drive Trail Project; Authorizing the City Manager to Execute the Agreement** in an amount not to exceed $223,000.

Council Meeting 2023 **2.**

Meeting Date: 02/13/2023

Department: Special Events
Pillars: Optimize the Addison Brand

AGENDA CAPTION:

Present and Discuss the **Operations and Financial Reconciliation for Addison Oktoberfest 2022.**

BACKGROUND:

Addison Oktoberfest is a major festival produced by the Town annually to support local businesses and promote tourism. The festival features food, music and entertainment focused on German culture, and was held September 15-18, 2022 at Addison Circle Park. The Special Events and Finance Departments have prepared a report on the marketing, operational and financial outcomes of Addison Oktoberfest 2022.

RECOMMENDATION:

Information only, no action required.

Attachments

Presentation - Addison Oktoberfest 2022 Recap

Addison Oktoberfest 2022

Council Presentation
February 13, 2023

Highlights of Oktoberfest 2022

- Celebrated 35th annual Oktoberfest.
- Enhanced entertainment on all three stages.
- Increased number of Partyhalle Deck tables which sold out Thursday – Saturday.
- 2022 Commemorative Steins – Steins were not available due to supply chain issues. Staff was able to obtain enough steins locally to fulfill pre-purchased package orders.

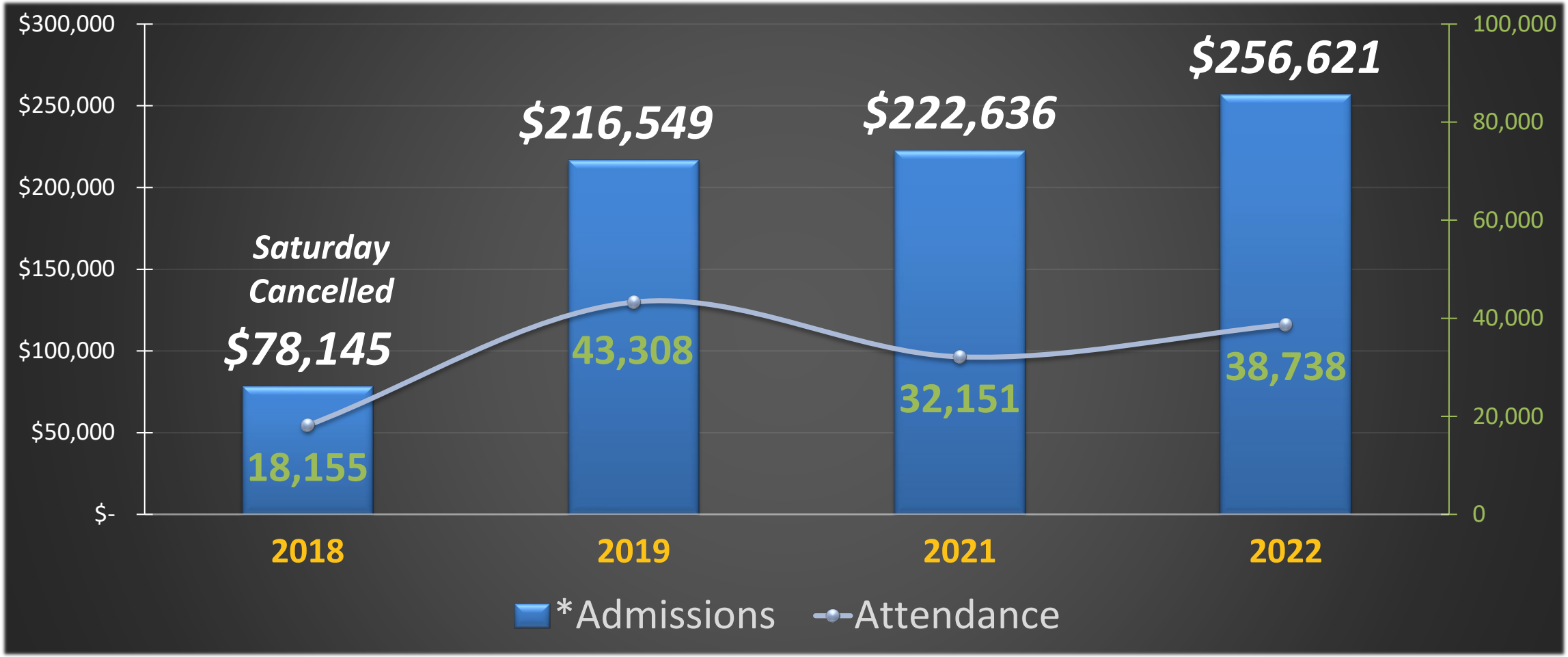
Paid Advertising

Outlet	Cost	Impressions
Digital	$35,148	3,350,216
Outdoor	$22,088	8,762,364
Radio	$22,030	1,869,400
CAMPAIGN TOTAL	**$79,266**	**13,981,980**

In-Kind Advertising & Public Relations Coverage

Outlet	Value	Gross Impressions
iHeart Radio	$219,900	19,656,306
Spectrum Reach TV	$4,500	191,796
CW33	$25,000	674,000
PR – Broadcast (179 outlets)	$4,869,186	26,632,136
PR – Print (24 outlets)	$296,646	2,142,177
PR – Online (490 outlets)	$4,103,157	9,939,755
IN-KIND TOTAL	**$9,518,389**	**59,236,170**

Admissions & Attendance: 4-Year Comparison



Free Admission Thursday & Sunday

Hotel Room Nights

- Following success of previous events, all Addison hotels were listed on the event website.

- Visitors could book any Addison hotel regardless of whether a special rate was offered. Hotel packages included:
  - 2 single day admission tickets
  - 2 commemorative steins with beer tokens
  - 2 souvenir lapel pins

- Total Packages Redeemed: 653 (47% increase over 2021)



REVENUE

Addison Oktoberfest 2022

SALES & COMMISSION REVENUE



Admissions

$256,621



Bier Games

$1,848

SIEGI'S SAUSAGE FACTORY

Commission

$212,624

Total $471,093

ADDITIONAL REVENUE



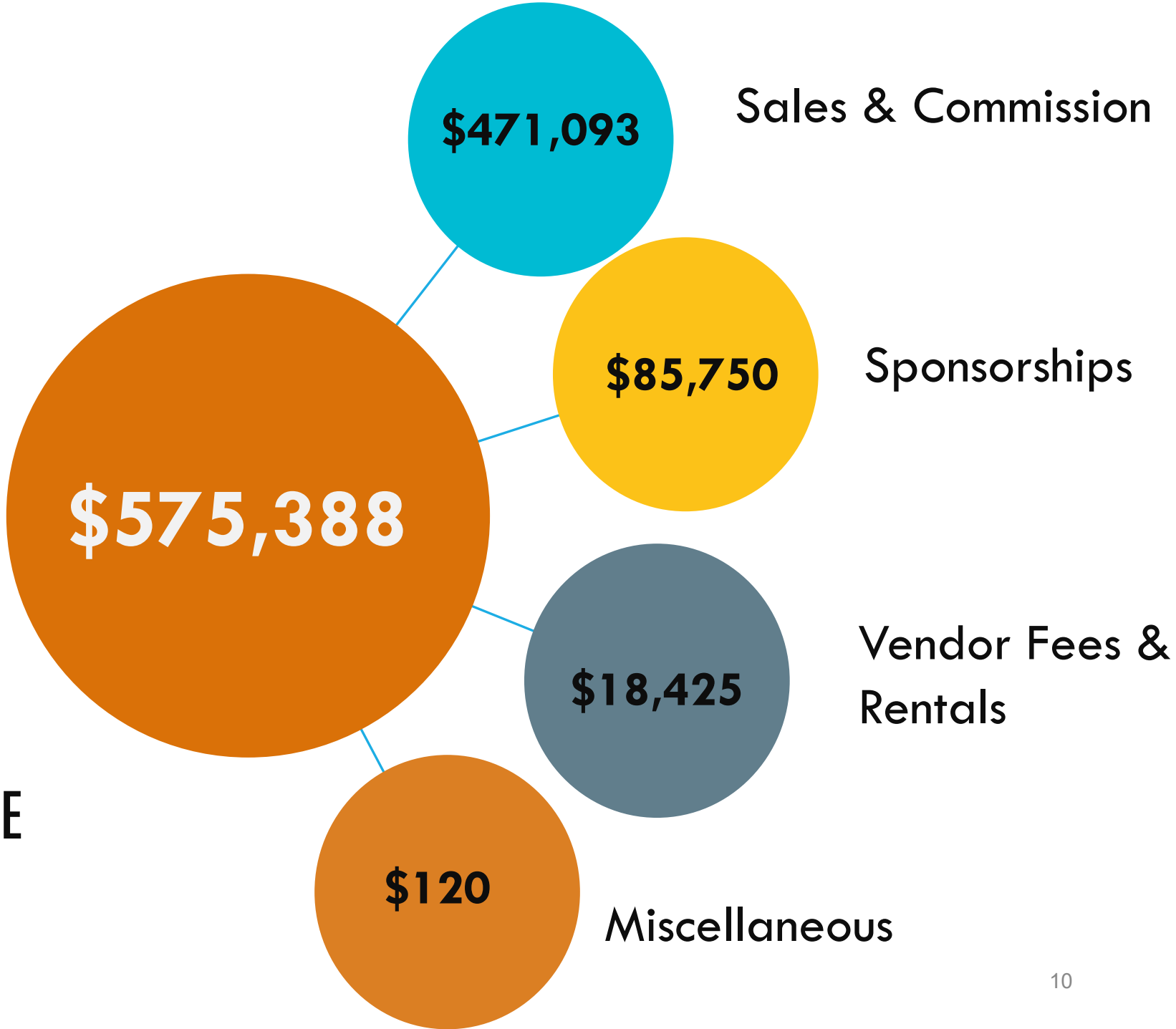
Sponsorships
$85,750



Vendor Fees & Rentals
$18,425

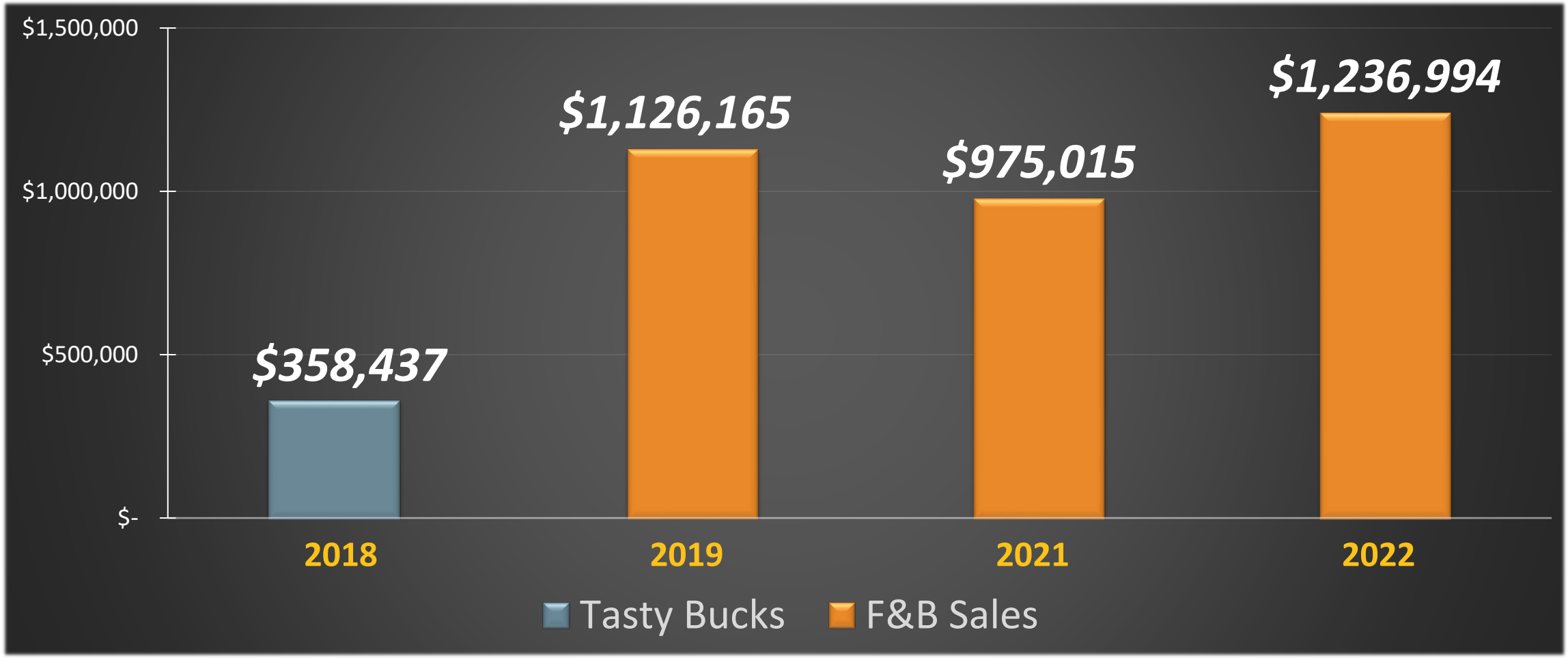
Miscellaneous
$120

TOTAL REVENUE



FY22 BUDGETED REVENUE
$610,500

Food & Beverage Sales: 4-Year Comparison




ADDISON
EXPENSES
Addison Oktoberfest 2021
D-Day June 6th
Portsmouth
Piccadilly Circus
Cherbourg
UTAH
OMAHA
GOLD
Carentan
Saint-Lô
München
TIROL

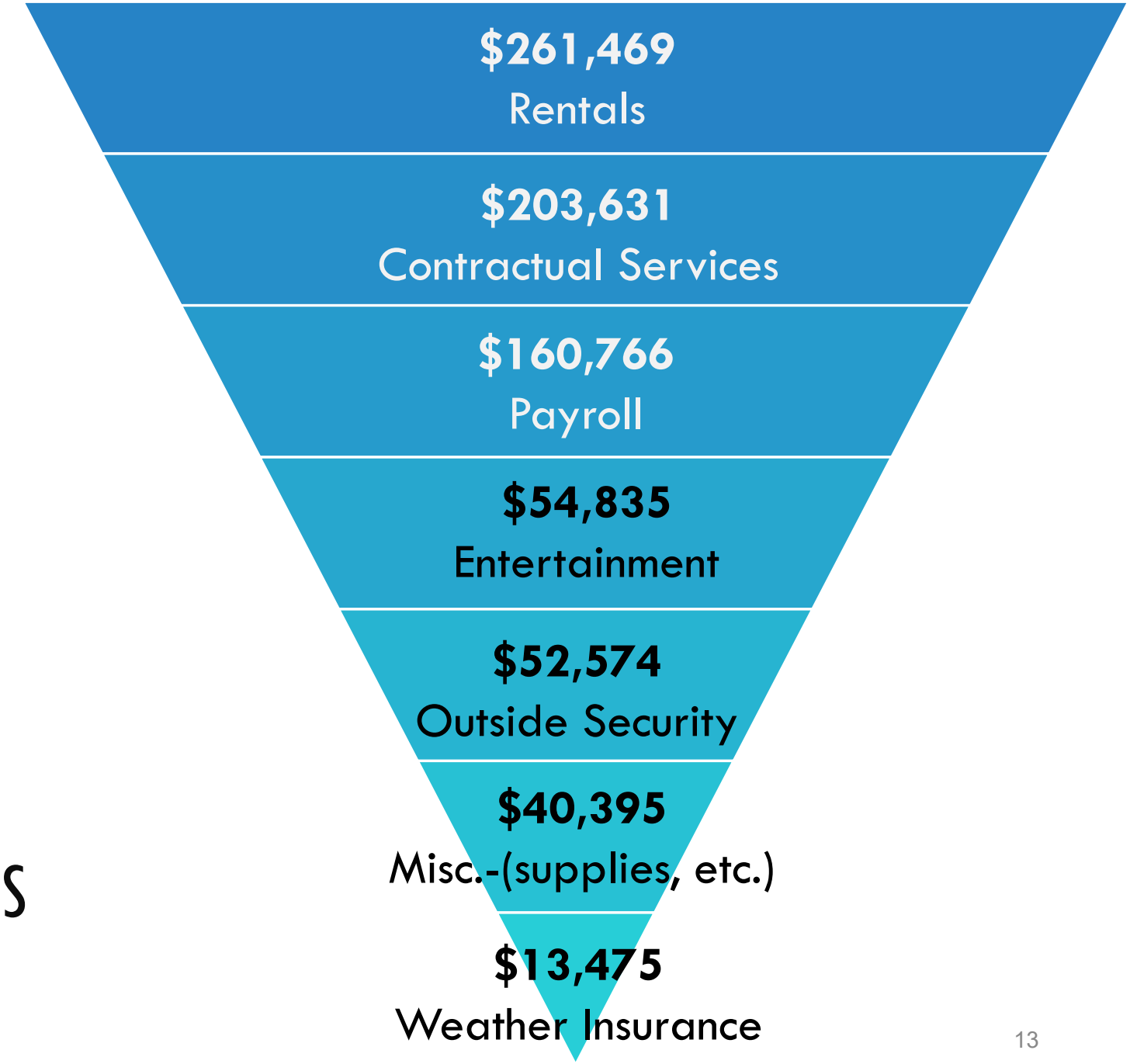
TOTAL EXPENSES

$787,145



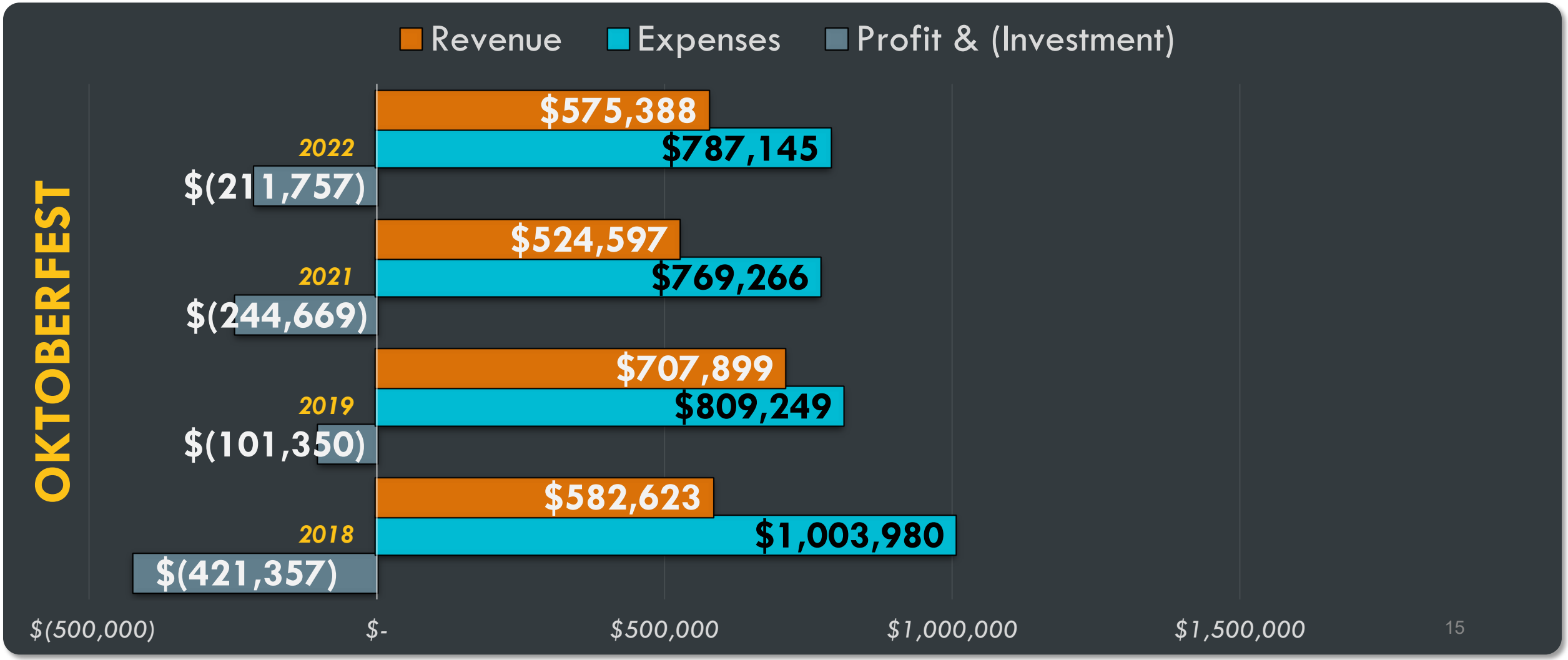
FY22 BUDGETED EXPENSES

$798,426



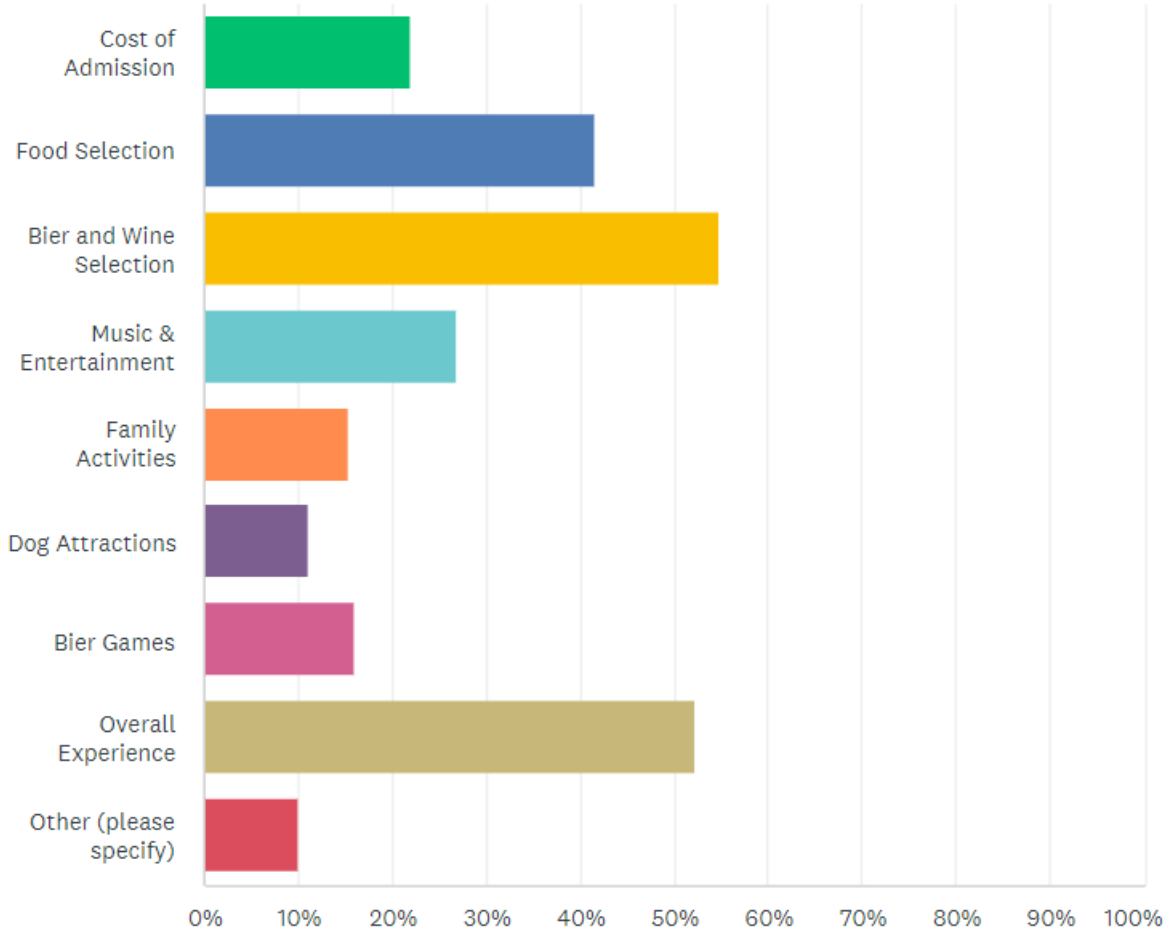

Total Revenue $575,388
Total Expenses $787,145
Net Investment $(211,757)

PROFIT OR (INVESTMENT) : 4-YEAR COMPARISON



Attendee Feedback

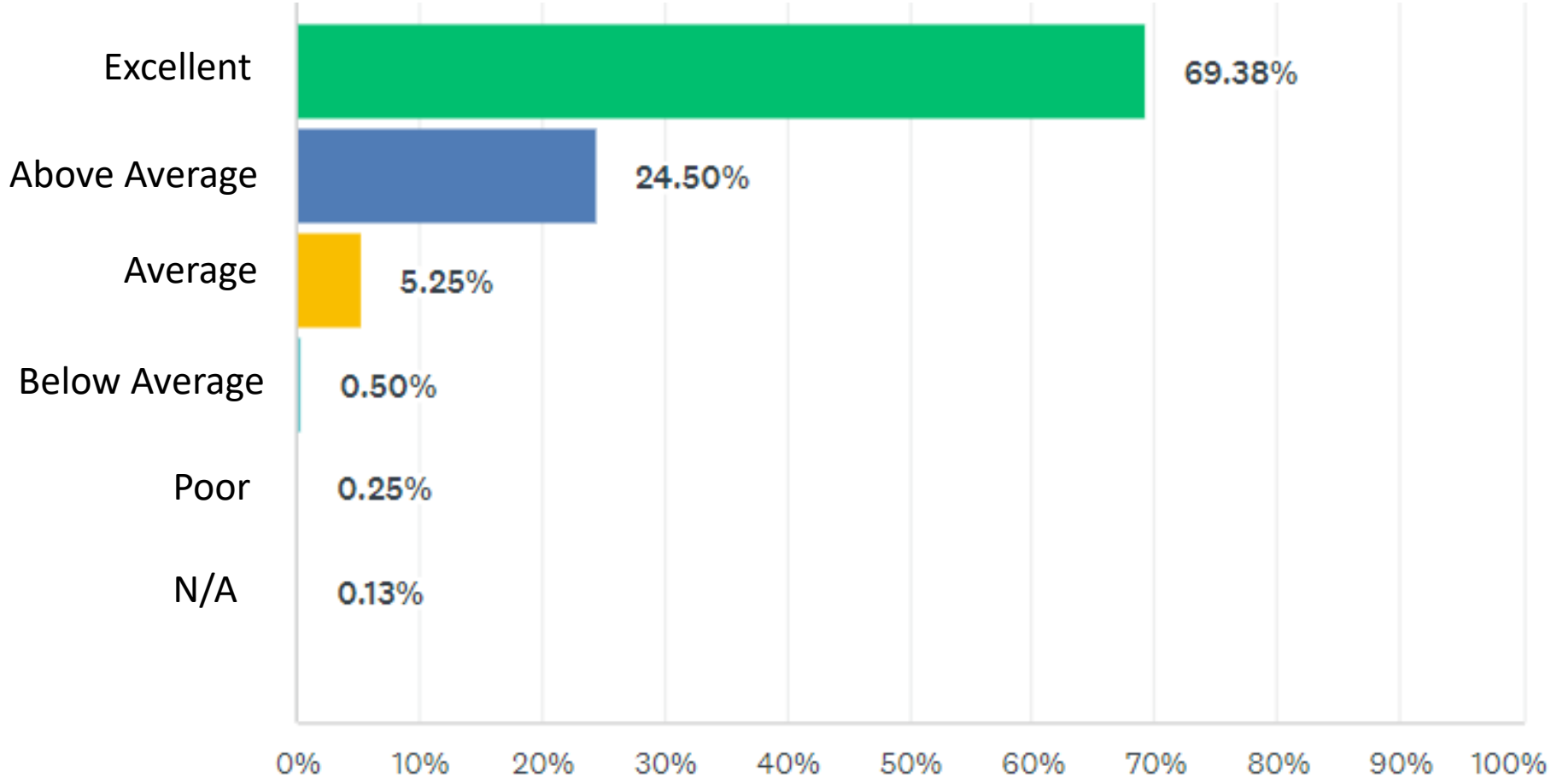
What attracted you to this festival?



Answer Choices	Respondents
Bier & Wine Selection	54.78%
Overall Experience	52.33%
Food Selection	41.54%
Music & Entertainment	26.96%
Cost of Admission	21.94%
Bier Games	15.93%
Family Activities	15.32%
Dog Attractions	11.03%
Other	9.93%

Attendee Feedback

How would you rate your overall experience?



Questions / Comments

Council Meeting 2023 **3.**

Meeting Date: 02/13/2023

Department: Special Events
Pillars: Optimize the Addison Brand

AGENDA CAPTION:

Present and Discuss the **2023 Special Events Preview.**

BACKGROUND:

Staff will provide an update to the Council on the upcoming 2023 event season. The presentation will include information regarding dates, times, new additions, and an entertainment and activity overview.

RECOMMENDATION:

Information only, no action required.

Attachments

Presentation - 2023 Special Events Preview

2023 Special Events Preview

February 13, 2023

Overview

As the start of the 2023 event season nears, staff is preparing for a full slate of festivals and events that will combine the traditions and best practices of past years, as well as enhancements to improve the attendee experience and optimize the Addison brand.



In order to accomplish the department objectives for FY23, the team has been evaluating the impacts of the TOD on events in Addison Circle Park. Special Events has also been exploring options for increased revenue through sponsorships and on-site promotions.

Addison After Dark

- Free admission
- Time: 6pm – 10pm
- Hotel Package
  - 2 - $10 food truck vouchers
  - 2 - branded tumblers
- Adding more activities, expanding vendors, & improved entertainment.
- Monthly themes
  - April 15 – Fiesta Noche
  - August 19 – Pints & Pups
  - October 21 – Harvest Hayday







Taste Addison

Dates & Times

- Friday, June 2, 6pm-12am
- Saturday, June 3, 2pm-12am

Tickets

- General Admission
  - Adult: $15
  - Youth (6-12): $5
  - Ages 5 and under: Free
- VIP: $60
- Reserved Parking Add-On: $25
- Hotel Package: Rates Vary
  - 4 single day general admission tickets
  - Access to prime viewing area



Taste Addison

VIP Experience

- Single Day General Admission
- 2 Beverage Tokens
- 2 Taste Bites
- Access to Main Stage Viewing Deck
- Access to VIP Lounge
  - Indoor/outdoor seating area
  - Private restrooms
  - Specialty entertainment
  - Cash bar serving drinks & food





Taste Addison

Featured Areas

- The Garden: wine sampling
- The Grove: spirits sampling & full-service bar
- Family Fun Lawn: Crafts, activities & attractions for kids
- Marketplace: Décor, jewelry, specialty food items & more



Music Entertainment

- Main Stage
  - Friday headliner: Swae Lee
  - Saturday headliner: Boys Like Girls
    - Full day lineup: Hawthorne Heights, Story of the Year
- Bowl Stage – various performing arts including bands, dancers, and other entertainers.



Taste Addison

Food & Beverage

- Restaurant application deadline: February 10
- Two Day Booth
  - Flat fee - $600 for a 10x10 or 10x20 booth space
  - No commission fee on sales



- Concessionaires – Refundable deposit + 20% revenue share
  - Accepted only to keep up with volume



- Water Stands – partnering with local non-profit

Addison Kaboom Town!

Date & Time

- Monday, July 3: 5-11pm



Tickets

- Free admission for all ages
- Hotel Package
  - Neck cooling towel
  - Guaranteed admission for up to 6
  - Park entrance fast lane
- Advance ticket reservations will be used to manage capacity, reduce crowding at the gates, and promote support for restaurant watch parties and hotel bookings.
- Early ticket release for Addison residents

Addison Kaboom Town!

Addison Circle Park Festival

- Live jazz band at entry gates to welcome attendees
- Complimentary performances by the 36th Infantry Division
- Live music will continue for 1 hour after the fireworks
- Kid Zone: paid activities and attractions for kids
- Outside coolers permitted; food & beverage concessions



Townwide Festivities

- Addison Airport Airshow - coordinating with Airport Staff on 2023 design
- Fireworks - 9:30pm launch; traditional soundtrack with a mix of current/past favorites



Addison Oktoberfest

Dates & Times

- Thursday, Sept. 14, 6-11pm
- Friday, Sept. 15, 6pm-12am
- Saturday, Sept. 16, 12pm-12am
- Sunday, Sept. 17, 12-6pm

Tickets

- General Admission 10+
  - $10 Friday or Saturday
  - Free Thursday and Sunday
- Ages 9 and under are free daily

Ticket Packages

- $20 Addison Oktoberfest Paket
- $300-500 Partyhalle Deck (reserved table for up to 8)
- Hotel Package
  - 4 single day general admission tickets
  - 2 commemorative steins with beer tokens
  - 2 commemorative lapel pins

Addison Oktoberfest

Featured Areas

- Partyhalle: Open-air tent, dance floor, Partyhalle Deck
- Draught Haus Biergarten: Outdoor screens featuring football
- Kleinhalle: Indoor seating with live entertainment
- Kinderzelt: Activities & games for kids and kids at heart
- Paulaner Biergarten: Outdoor seating and bier games
- Marktplatz: Craft and specialty food sales



New Promotions

- Sunday Hund-Day: Bring your dog to Oktoberfest day
- Dachshund Dash: New location, enhanced competition
- Karneval: Paid activities and attractions for kids



Questions?

Council Meeting 2023 **4.**

Meeting Date: 02/13/2023

Department: Airport

Pillars: Excellence in Transportation Systems

Milestones: Leverage the use of the Airport to maximize business growth and expansion

---

AGENDA CAPTION:

Present and Discuss the **Airport Quarterly Report for the Fiscal Year 2023 First Quarter Ended December 31, 2022.**

BACKGROUND:

The purpose of this item is to provide an overview of key Airport performance measures for the first quarter of Fiscal Year 2023 (FY23), which ended on December 31, 2022. The report presents data on revenue, fuel flowage, and aircraft operations (take-offs and landings), including international operations. The report also includes a snapshot of the Airport's real estate portfolio.

Highlights for the first quarter include:

- Galaxy FBO formally began operations on November 1, 2022. They are off to a very good start, moving more than 120,000 gallons of fuel in each of their first two months (November and December).
- Galaxy FBO hosted the FIFA World Cup Trophy Tour aircraft and event on November 6, 2022. Addison was one of only three U.S. stops on the World Cup Trophy Tour; the other two stops were Los Angeles and New York / New Jersey (Newark Liberty International Airport).
- Million Air sold more than 6,000,000 gallons of Jet-A in calendar year 2022, passing the milestone on the afternoon of December 27, 2022 and setting an all-time record for them (or any other FBO at Addison, for that matter).
- Airport revenues in the first quarter of Fiscal Year 2023 (FY23) were the highest ever ($1,722,757) for the first quarter of any fiscal year, up 11.5% compared to the first quarter of FY22 and 26.8% compared to the first quarter of FY21. The increase is attributable to the strong performance of the airport's real estate portfolio, which has generated additional revenue from new ground leases such as the Galaxy FBO lease.
- Operations and fuel flowage, while generally lower than the first quarter of FY22 (which set records), were strong for the first quarter of FY23.

RECOMMENDATION:

Information only, no acton required.

Attachments

Airport Quarterly Update FY23Q1

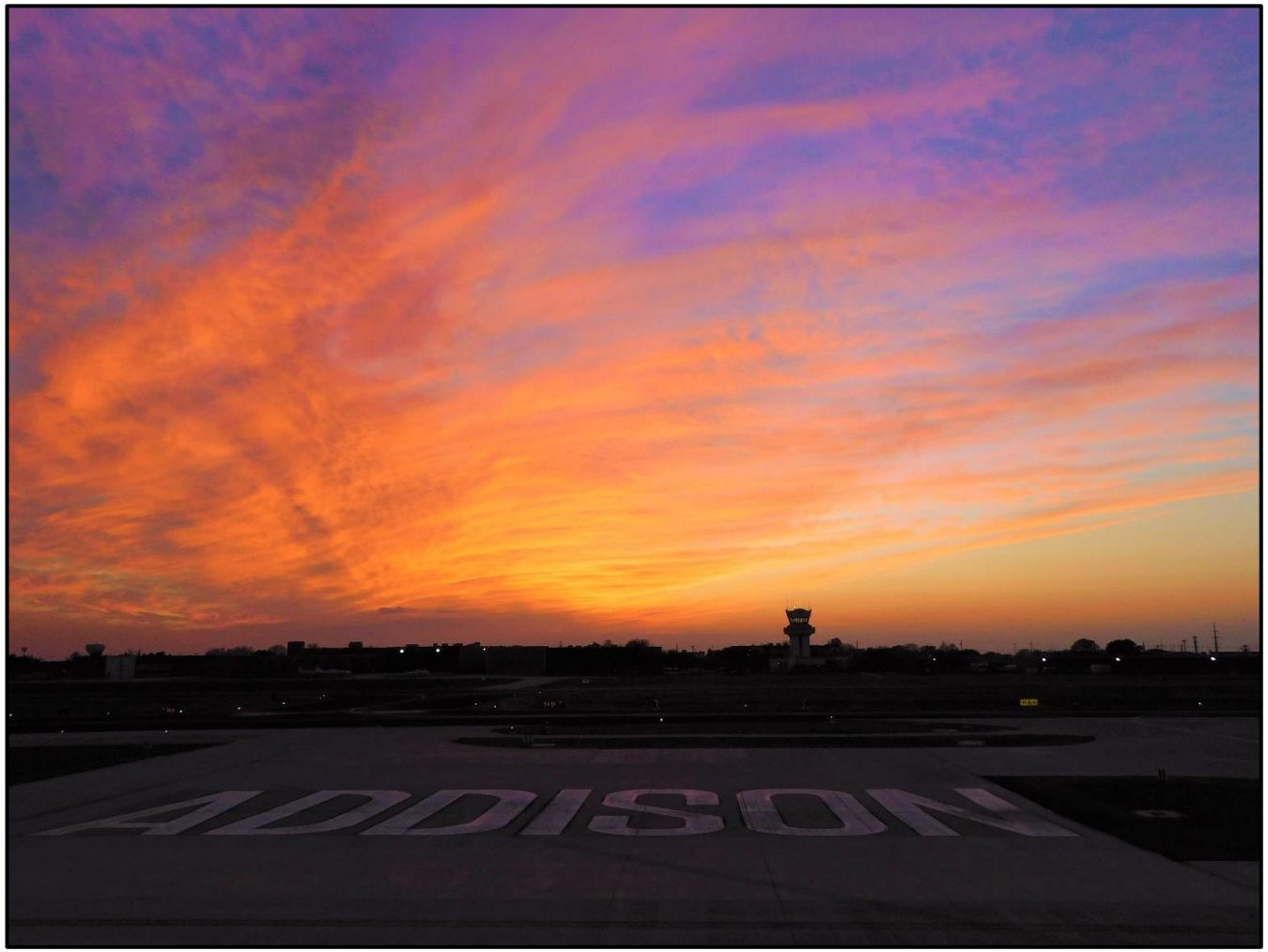
Addison Airport

1st Quarter Update – Fiscal Year 2023

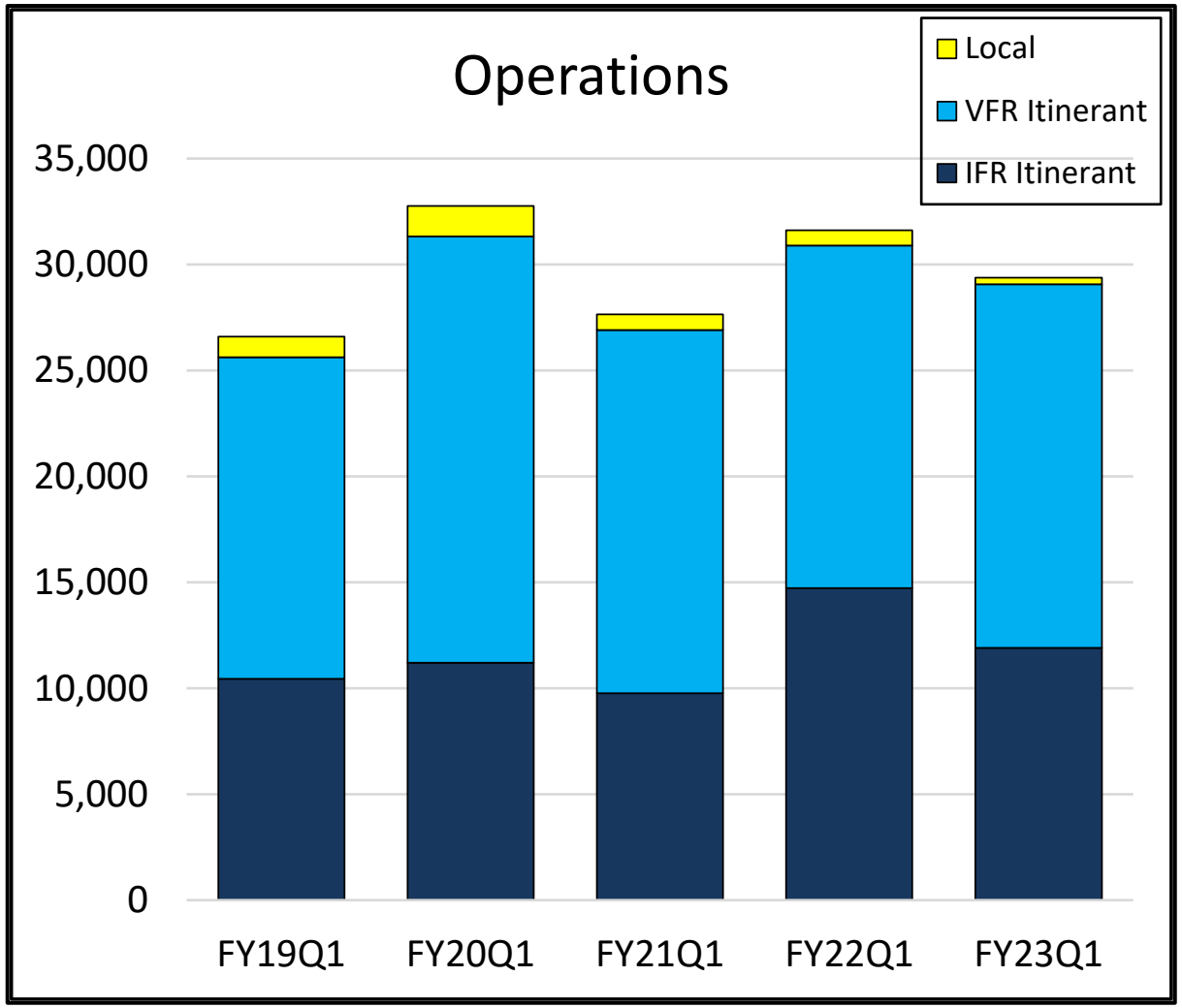
February 13, 2023

Addison Airport Quarterly Update – Overview

- Statistics: FY23 Q1
  - Aircraft Operations
  - International Operations
  - Fuel Flowage
  - Revenue
  - Real Estate Portfolio
- Projects and Progress



FY23 Q1 Statistics – Aircraft Operations



Definitions

- An **Aircraft Operation** is either a takeoff or a landing
- **Local Operations** are typically aircraft remaining in the local traffic pattern
- **Itinerant Operations** are aircraft that arrive from outside the airport area or depart and leave the airport area
- VFR is "**Visual Flight Rules**" (looking out the windows)
- IFR is "**Instrument Flight Rules**" (relying on the flight instruments)

FY23 Q1 Statistics – Aircraft Operations (con't.)

Instrument (IFR) Operations

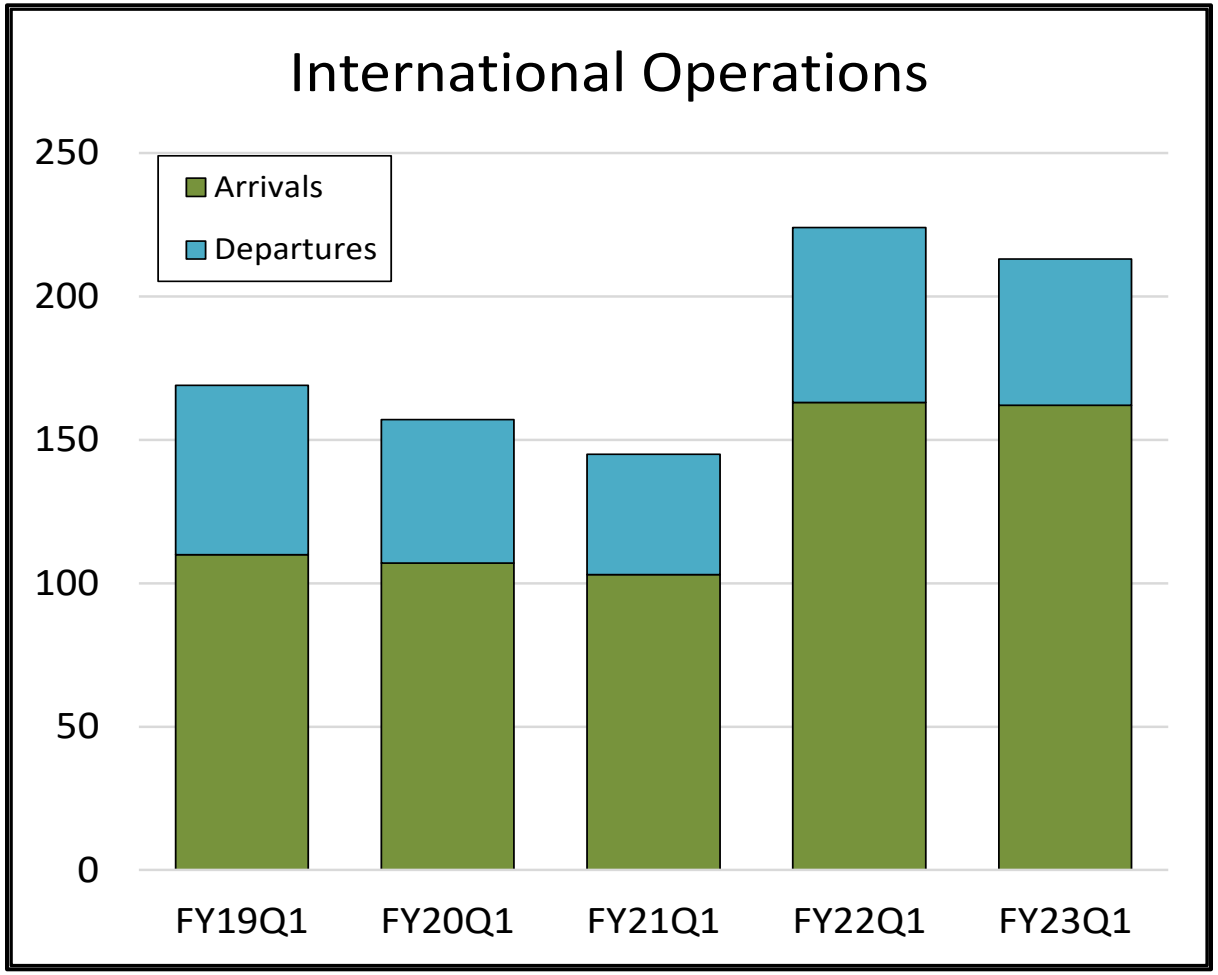
- Down 19.1% from Q1 of FY22
- Up 21.9% over Q1 of FY21

Total Operations

- Down 7.1% from Q1 of FY22
- Up 6.3% over Q1 of FY21

		OPERATIONS			
		IFR Itin	VFR Itin	Local	TOTAL
FY19 Q1	Oct-18	3,935	4,573	469	8,977
	Nov-18	3,432	5,616	280	9,328
	Dec-18	3,080	4,989	220	8,289
TOTAL		**10,447**	**15,178**	**969**	**26,594**
FY20 Q1	Oct-19	3,966	6,841	598	11,405
	Nov-19	3,617	6,592	358	10,567
	Dec-19	3,636	6,670	493	10,799
TOTAL		**11,219**	**20,103**	**1,449**	**32,771**
FY21 Q1	Oct-20	3,580	6,055	283	9,918
	Nov-20	3,228	5,746	187	9,161
	Dec-20	2,968	5,338	261	8,567
TOTAL		**9,776**	**17,139**	**731**	**27,646**
FY22 Q1	Oct-21	5,038	5,771	219	11,028
	Nov-21	5,050	5,993	308	11,351
	Dec-21	4,645	4,406	188	9,239
TOTAL		**14,733**	**16,170**	**715**	**31,618**
FY23 Q1	Oct-22	4,022	6,894	158	11,074
	Nov-22	4,112	5,229	88	9,429
	Dec-22	3,785	5,030	58	8,873
TOTAL		**11,919**	**17,153**	**304**	**29,376**

FY23 Q1 Statistics – International Operations



International operations are reported monthly to the airport by the CBP Officer assigned to Addison.

Not all aircraft are required to file notice with the CBP Officer at the departure airport for international departures, so the international departure counts provided to Addison by CBP are generally undercounts.

FY23 Q1 Statistics – International Operations (con't.)

International Arrivals

- Down 0.6% from Q1 FY22
- Up 57.3% over Q1 FY21

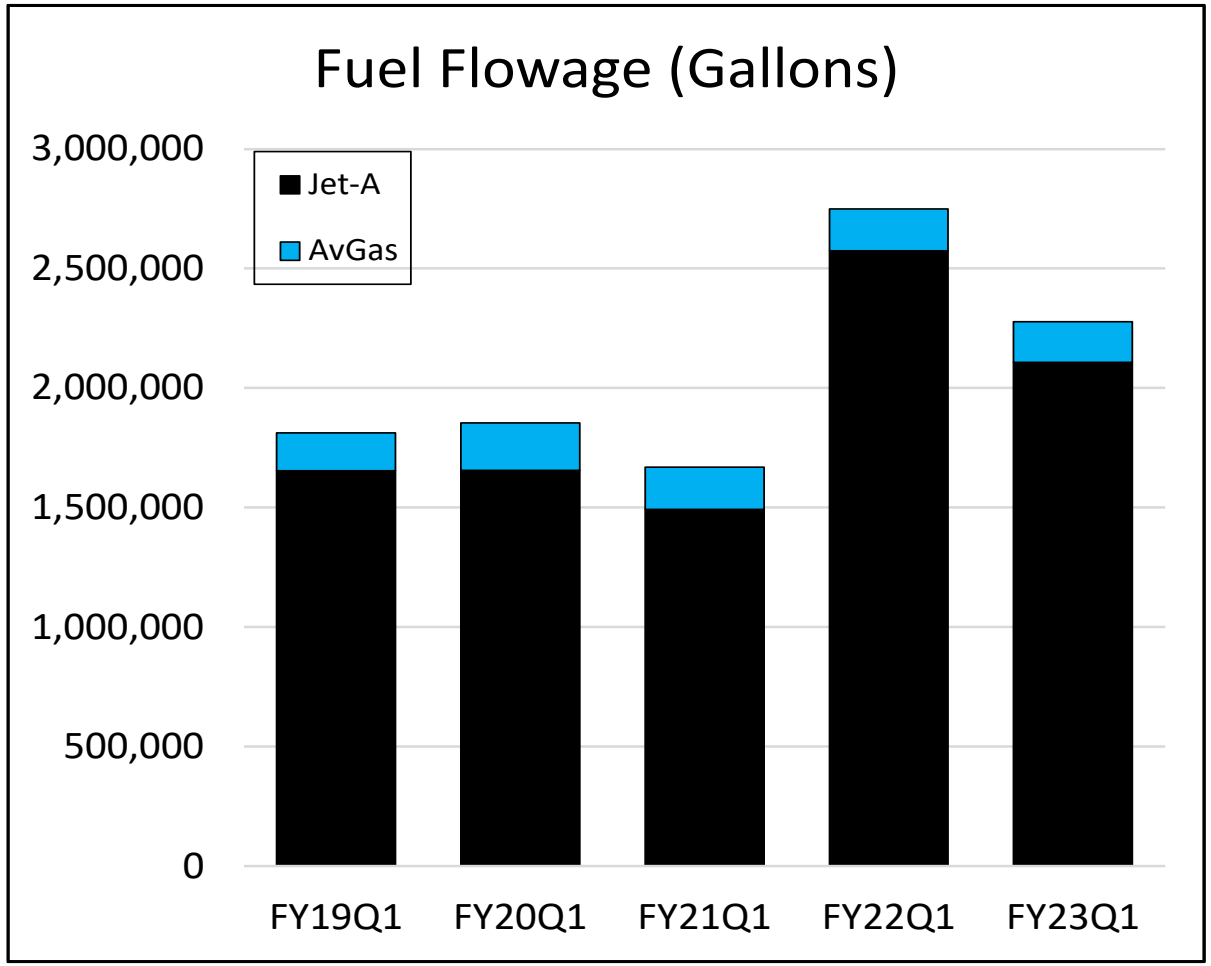
International Departures*

- Down 16.4% from Q1 of FY22
- Up 21.4% over Q1 of FY21

* As noted on the previous slide, international departures are undercounted because certain types of operations are not required to file with CBP at the departure airport (although they are still required to file with CBP).

		International Operations		
		arrivals	departures	TOTAL
FY19 Q1	Oct-18	42	11	53
	Nov-18	39	22	61
	Dec-18	29	26	55
TOTAL		**110**	**59**	**169**
FY20 Q1	Oct-19	26	7	33
	Nov-19	38	21	59
	Dec-19	43	22	65
TOTAL		**107**	**50**	**157**
FY21 Q1	Oct-20	27	5	32
	Nov-20	43	16	59
	Dec-20	33	21	54
TOTAL		**103**	**42**	**145**
FY22 Q1	Oct-21	38	9	47
	Nov-21	61	23	84
	Dec-21	64	29	93
TOTAL		**163**	**61**	**224**
FY23 Q1	Oct-22	37	7	44
	Nov-22	63	20	83
	Dec-22	62	24	86
TOTAL		**162**	**51**	**213**

FY23 Q1 Statistics – Fuel Flowage



Jet-A is the aviation fuel commonly used in the United States for most jet and turbo-prop aircraft.

AvGas – 100 octane Low Lead Aviation Gasoline – is the most widely used aviation fuel for piston-engine aircraft.

The airport collects flowage fees on aviation fuels delivered into the airport's bulk fuel storage facility:

- **FBOs** pay a fuel flowage fee of **$0.14/gallon** received (for both Jet-A and AvGas).
- **'Non-public'** fuelers pay a fuel flowage fee of **$0.22/gallon** received.

FY23 Q1 Statistics – Fuel Flowage (con't.)

Jet-A

- Down 18.1% from Q1 FY22
- Up 41.3% over Q1 FY21

AvGas

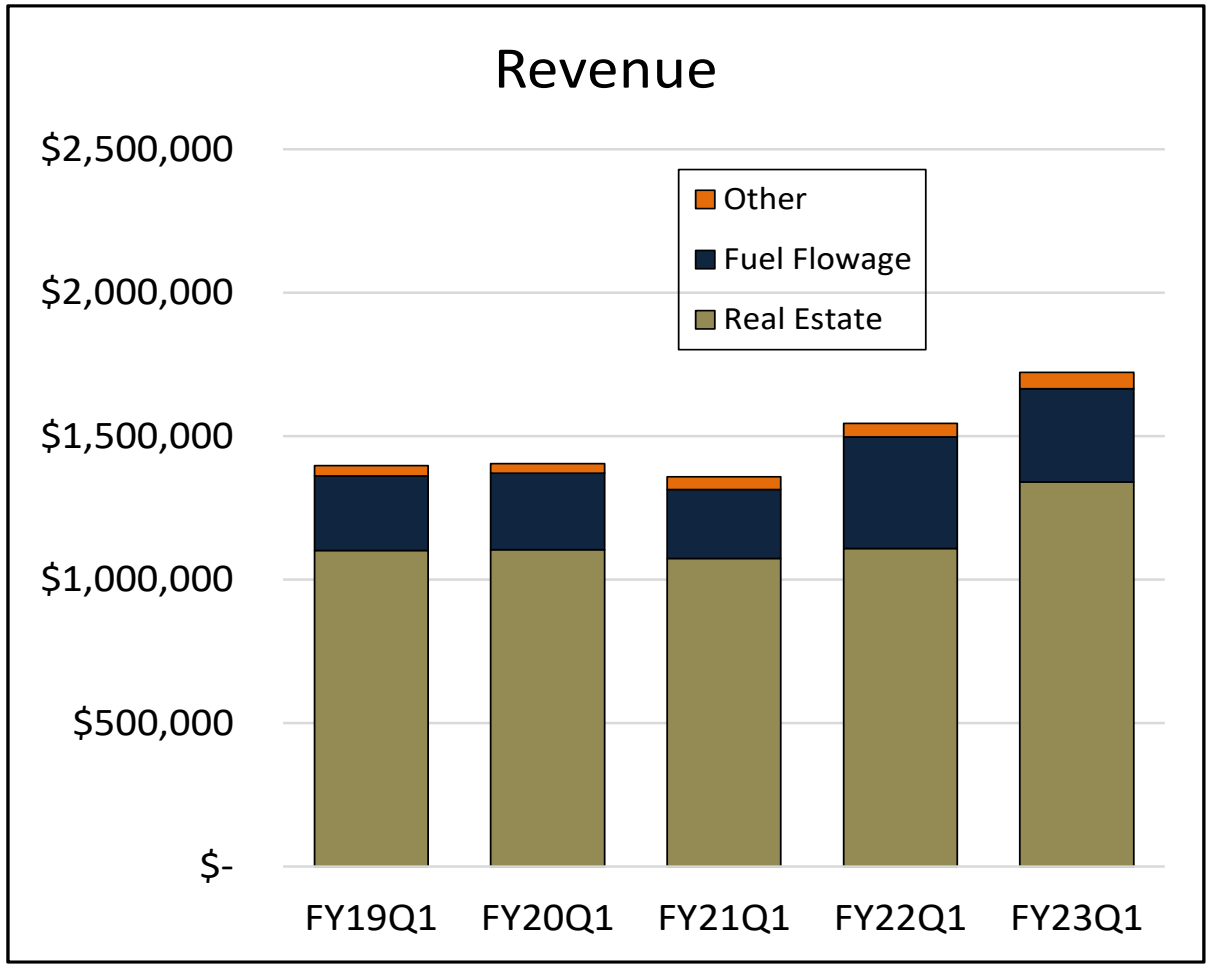
- Down 4.3% from Q1 FY22
- Down 5.3% from Q1 FY21

Total Fuel Flowage

- Down 17.2% from Q1 of FY22
- Up 36.4% over Q1 of FY21

		FUEL FLOWAGE (gallons)		
		Jet-A	AvGas	TOTAL
FY19 Q1	Oct-18	555,796	47,404	603,200
	Nov-18	560,580	60,950	621,530
	Dec-18	537,520	49,668	587,188
TOTAL		**1,653,896**	**158,022**	**1,811,918**
FY20 Q1	Oct-19	587,394	68,894	656,288
	Nov-19	497,326	65,126	562,452
	Dec-19	571,207	64,426	635,633
TOTAL		**1,655,927**	**198,446**	**1,854,373**
FY21 Q1	Oct-20	530,193	64,444	594,637
	Nov-20	447,146	56,798	503,944
	Dec-20	514,125	56,903	571,028
TOTAL		**1,491,464**	**178,145**	**1,669,609**
FY22 Q1	Oct-21	827,016	59,895	886,911
	Nov-21	889,557	55,886	945,443
	Dec-21	857,034	60,438	917,472
TOTAL		**2,573,607**	**176,219**	**2,749,826**
FY23 Q1	Oct-22	680,941	69,984	750,925
	Nov-22	724,646	49,342	773,988
	Dec-22	702,536	49,392	751,928
TOTAL		**2,108,123**	**168,718**	**2,276,841**

FY23 Q1 Statistics – Revenue



Real Estate revenue includes:

- ground leases
- leases of airport-owned commercial hangars
- leases of airport-owned commercial office space and signs
- T-hangar and patio hangar leases
- aircraft tie-down / ramp space
- bulk fuel storage tank leases
- through-the-fence (“TTF”) access permit fees

Fuel Flowage Fee revenue

- $0.14/gallon for FBOs
- $0.22/gallon for non-public fuelers
- based on gallons received at the bulk fuel storage facility (the “fuel farm”)

‘Other’ revenue includes:

- U.S. Customs and Regulated Garbage fees
- Utility billing pass-through
- Miscellaneous income

FY23 Q1 Statistics – Revenue (con't.)

Real Estate Revenue

- Up 21.0% over Q1 FY22
- Up 24.9% over Q1 FY21

Fuel Flowage Fees

- Down 16.8% from Q1 of FY22
- Up 35.3% over Q1 of FY21

Total Revenue

- Up 11.5% over Q1 of FY22
- Up 26.8% over Q1 of FY21

		REVENUE			
		Real Estate	FFF	Other	TOTAL
FY19 Q1	Oct-18	$ 368,424	$ 86,679	$ 9,312	$ 464,414
	Nov-18	$ 364,526	$ 88,931	$ 11,661	$ 465,118
	Dec-18	$ 368,933	$ 84,187	$ 15,299	$ 468,419
TOTAL		**$1,101,882**	**$259,797**	**$ 36,272**	**$1,397,951**
FY20 Q1	Oct-19	$ 376,390	$ 94,813	$ 8,254	$ 479,457
	Nov-19	$ 371,814	$ 80,343	$ 14,462	$ 466,619
	Dec-19	$ 355,679	$ 91,632	$ 11,052	$ 458,363
TOTAL		**$1,103,882**	**$266,788**	**$ 33,769**	**$1,404,439**
FY21 Q1	Oct-20	$ 357,018	$ 85,818	$ 15,367	$ 458,202
	Nov-20	$ 356,194	$ 71,252	$ 16,597	$ 444,043
	Dec-20	$ 360,755	$ 82,548	$ 13,621	$ 456,924
TOTAL		**$1,073,967**	**$239,617**	**$ 45,585**	**$1,359,169**
FY22 Q1	Oct-21	$ 365,719	$126,083	$ 14,454	$ 506,256
	Nov-21	$ 364,559	$134,318	$ 10,780	$ 509,657
	Dec-21	$ 377,826	$129,442	$ 21,518	$ 528,786
TOTAL		**$1,108,104**	**$389,843**	**$ 46,752**	**$1,544,699**
FY23 Q1	Oct-22	$ 447,219	$107,392	$ 21,143	$ 575,754
	Nov-22	$ 433,357	$110,308	$ 17,685	$ 561,351
	Dec-22	$ 460,339	$106,591	$ 18,723	$ 585,653
TOTAL		**$1,340,915**	**$324,291**	**$ 57,551**	**$1,722,757**

FY23 Q1 Statistics – Real Estate Portfolio

Addison Airport Q1 FY To Date 2023

Property Type / Description	Number of Properties	Number of Units	Vacancies	Leased %	Q1 FY To Date 2023 Revenue	% of Total Revenue
Ground Leased						
Ground Leased	33	33	0	100%	$767,923	45%
Total Ground Leased	33	33	0	100%	$767,923	45%
Town / Airport Owned						
Jet/Commercial/Sign	19	68	8	88%	$297,105	17%
T-Hangar	9	99	0	100%	$189,535	11%
Patio Hangar	3	44	0	100%	$41,055	2%
Tie-Downs	-	-	-	-	$0	0%
Vacant / Unimproved Land	8	8	-	-	$0	0%
Fuel Farm	1	16	0	100%	$49,467	3%
Total Town / Airport Owned	40	235	8	97%	$577,162	34%
Airport Real Estate Totals	73	268	8	97%	$1,345,085	78%
Access Permits	2	16	-	-	$0	0%
Portfolio Total	75	284	8	-	$1,345,085	78%
Non-Real Estate Revenue					$377,672	22%
				Q1 FY To Date 2023 Revenue Totals	$1,722,757	100%
				Annualized Revenue	$6,891,030	107%
				Annualized Budgeted Revenue	$6,437,820	

FY23 Q1 Statistics – Real Estate Portfolio

Addison Airport Q1 FY To Date 2023 Economic Occupancy

Property Type / Description	Q1 FY To Date 2023 Budget	Q1 FY To Date 2023 Revenue	Economic Occ. %
Ground Leased			
Ground Leased	$702,278	$767,923	109%
Total Ground Leased	$702,278	$767,923	109%
Town / Airport Owned			
Jet/Commercial/Sign	$309,672	$297,105	96%
T-Hangar	$185,148	$189,535	102%
Patio Hangar	$41,526	$41,055	99%
Tie-Downs	$0	$0	0%
Vacant / Unimproved Land	$0	$0	0%
Fuel Farm	$49,470	$49,467	100%
Total Town / Airport Owned	$585,816	$577,162	99%
Airport Real Estate Totals	$1,288,094	$1,345,085	104%
Access Permits	$0	$0	0%
Portfolio Total	$1,288,094	$1,345,085	104%
Non-Real Estate Revenue	$321,361	$377,672	118%
Q1 FY To Date 2023 Revenue Totals	$1,609,455	$1,722,757	107%

- Ground leases decreased by one, from 34 to 33, due to the expiration of a ground lease at 4511 Eddie Rickenbacker. That expired ground lease converted to a commercial lease with a 2025 expiration date.
- Access Permit fees (for through-the-fence access) are paid in January and July, with most of those TTF fees coming due in January.
- Galaxy FBO officially began operations in November 2022. Galaxy FBO sold more than 120,000 gallons of fuel in each of their first two months in operation … a very good start.

Addison Airport – Projects and Progress



Addison Airport – Projects and Progress

Galaxy FBO

- Officially opened for business November 1, 2022.
- Hosted the FIFA World Cup Trophy Tour aircraft and event on November 6, 2022. Addison was one of just three U.S. stops for this tour; the other two stops were at Newark Liberty International (EWR) and Los Angeles International (LAX).
- Galaxy received 119,635 gallons of Jet-A in November and 127,884 gallons of Jet-A in December … a strong start for their first two months in operation.





Addison Airport – Projects and Progress

Million Air FBO

- For the first time ever, Million Air passed the milestone of 6,000,000 gallons of Jet-A delivered into aircraft in a single calendar year.
- The milestone was reached on the afternoon of December 27, 2022.
- The photo at right, provided by Million Air, commemorates the celebration of this milestone.

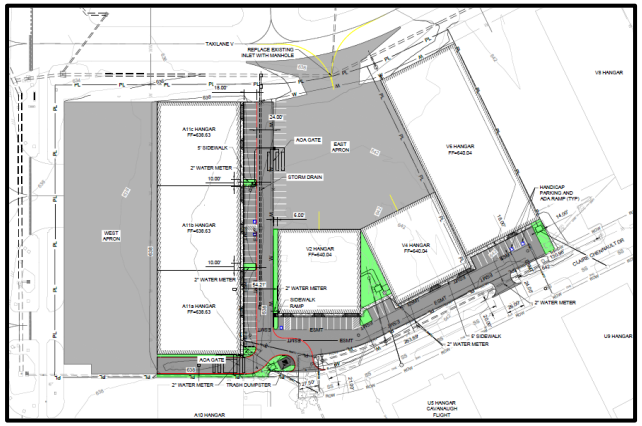


Addison Airport – Projects and Progress

Status Update – Approved Developments

- Sky Squared
  - Preliminary site demolition and remediation has commenced
  - Site plan in review by DRC, scheduled for P&Z
- Atlantic Aviation FBO Redevelopment
  - No demolition or construction started yet
  - Site plan in review by DRC, scheduled for P&Z
- Sky Harbour – Phase I (former Jetport site)
  - Demolition of Jetport building completed
  - Pavement demolition has not commenced
  - Site plan and civil plans in review by DRC, scheduled for P&Z
- Sky Harbour – Phase II (Taxilane Uniform site)
  - Site plan in development

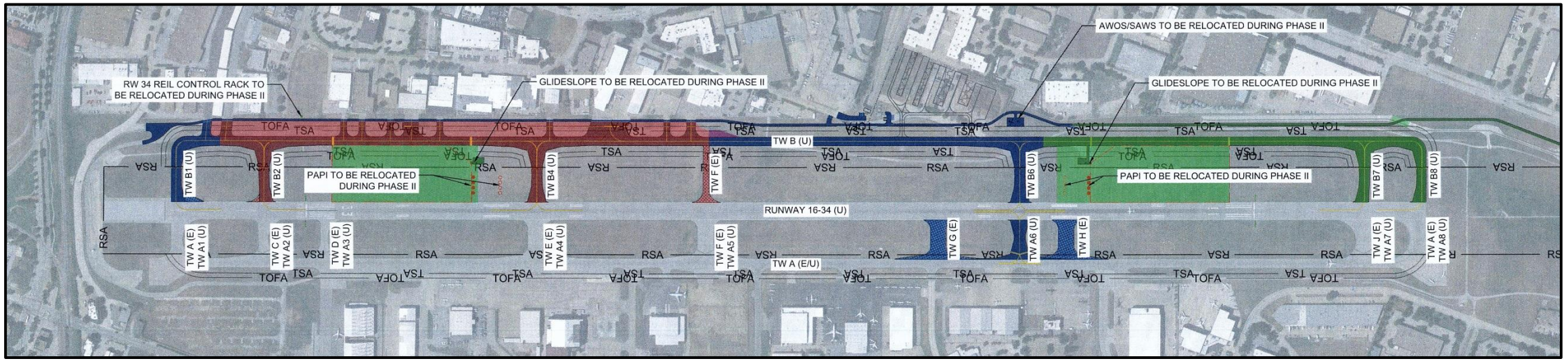




Addison Airport – Projects and Progress

Current Projects – Airport Improvement Program (AIP) Grants

- Design for Taxiway Bravo extensions – nearing completion
  - FY21 AIP grant in the amount of $805,000 (90% FAA, 10% local match).
  - Preliminary Engineering Review (PER) for the full (three phase) project has been completed.
  - Preliminary design for phase 1 construction (base bid package: extension of Taxiway Bravo north to Taxiway Hotel and extension of Taxiway Hotel west of the runway to connect to Taxiway Bravo)
  - Project (phase 1 construction) is in final design, expected to advertise for bids in March.
  - Phase 1 construction project is planned to be advertised as a base bid with three additive alternates.



Addison Airport – Projects and Progress

Current Projects – Airport Improvement Program (AIP) Grants

- Construction of Taxiway Bravo extensions and west side service road (phase 1)
  - FY22 AIP grant, $5,840,530 in AIP funds, with a local match of $1,414,770 (90% FAA funds, with 10% local match; 50% match for the vehicle service road) for a total of $7,255,300 is the programmed/available project funding.
  - TX-DOT will request local matching funds after bids are received.
  - Available funding is less than the Engineer's Opinion of Probable Cost (EOPC) of $10,347,000.
  - Airport has applied for FY22 AIP supplemental discretionary funding for this project.
  - Construction is anticipated to begin in July 2023.
  - The Taxiway Bravo extension (phase 1) will enable aeronautical development of a 4- to 5-acre land parcel on the west side of the airport, just north of the Toll Tunnel.





Addison Airport Quarterly Update – Questions?



Council Meeting 2023 **5.**

Meeting Date: 02/13/2023

Department: City Secretary

AGENDA CAPTION:

Consider Action on the **Minutes from the January 24, 2023 City Council Meeting.**

BACKGROUND:

The minutes for the January 24, 2023 City Council Meeting have been prepared for consideration.

RECOMMENDATION:

Administration recommends approval.

Attachments

Minutes - January 24, 2023

D R A F T

OFFICIAL ACTIONS OF THE ADDISON CITYCOUNCIL

January 24, 2023

Addison TreeHouse
14681 Midway Road, Suite 500, Addison, TX 75001
6:00 p.m. Executive Session & Work Session
7:30 Regular Meeting

Present: Mayor Joe Chow; Mayor Pro-Tempore Kathryn Wheeler; Deputy Mayor Pro-Tempore Lori Ward; Council Member Tom Braun; Council Member Darren Gardner; Council Member Guillermo Quintanilla; Council Member Eileen Resnik

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Call Meeting to Order: Mayor Chow called the meeting to order at 6:00 PM.

Pledge of Allegiance: Mayor Chow lead the 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 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 meeting to convene the City Council into Closed Executive Session at 6:01 PM.

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

Mayor Chow reconvened the City Council into open session at 6:55 PM. No action taken.

WORK SESSION

1. **Present and Discuss Public Works and Engineering Operations and Project Updates.**
[Shannon Hicks, Public Works & Engineering Director]

The purpose of this item is to provide an update on key Public Works and Engineering Department operations, capital improvement projects, and bond projects for Fiscal Year 2023.

Operations and Maintenance

- Streets Division
    - Operational Projects - Completed nearly $1.7M on Addison Road full-depth repairs and received $496K in Dallas County grant funding, Belt Line Road repairs and replacement of Town-wide Malfunction Management Units (MMUs) at Traffic Signals. Spring 2023 - Video Detection Replacements on Marsh Road at Addison Town Center Intersection (Target), Painting Wheeler (Arapaho) Bridge rails, swoops, and arches.
- Utilities Division
    - Fire Hydrant Inspections - Flow testing, hydrant flushing, and making any necessary repairs; Completed 1,100 fire hydrant inspections in FY22 • Next round of inspections will begin in the spring of 2023
    - Fire Hydrant Painting - Painting fire hydrants "Addison Blue" and adding reflective collars for better visibility at night and Painted one-third of the Town's fire hydrants in FY22 and will do another third in FY23.
    - Valve Maintenance Program - Town staff is operating and inspecting mainline valves throughout the Town • The goal is to exercise each valve annually.
    - Operational Projects - Began EPA mandated Lead and Copper Rule Revisions (LCRR), requires to prepare and maintain an inventory of service line materials, Lining eight manholes throughout Town for FY23, Purchased two new water quality analyzers to replace outdated units, Non-Destructive Testing of Redding Trail Water Main and Water and Wastewater CIP Validation.
- Stormwater Division
    - Operational Projects - Completed year three of the Town's five-year Municipal Separate Storm Sewer System (MS4) permit with Texas Commission on Environmental Quality, Hosted Earth Day and Sustainability Day Events, and Creating Town owned drainage ditch maintenance plans, Inspecting and cleaning of a parallel channel on Midway Road, Stormwater post-construction Best Management Practices (BMP) Ordinance Update as required by State regulations, Celestial Place pavement repairs due to infiltration of Stormwater pipes, and Upgrading Blower in GapVax Truck

Major CIP and Bond Projects

- Under Construction Projects:
    - Rawhide Creek ADA and Drainage Improvements • Began Construction in Mid-November anticipate completion in Fall 2023 • Currently excavating detention facility adjacent to Marsh Lane • Project Budget $3.3M
    - Alpha Road Connector Project • Began Construction in April of 2022 anticipate

completion in March 2023 • 95% of pavement operations are completed • Project Budget $3.6M • Estimated Project Costs $3.5M Major CIP and Bond Project
    - Traffic Signal and ADA Improvements • Currently under contract • Long lead times on traffic signal poles have delayed the start of construction • Anticipate start of construction in summer 2023 • Project Budget $1.5M • Estimated Project Costs $1.4M
    - Vitruvian Park Public Infrastructure Phase 9 Block 701 Sewer and Water Improvements • Contractor is completing punch-list items, anticipate project closeout in January 2023 • Total Project Cost $765K • Vitruvian Phase 9 Budget $2.6M Major CIP and Bond Project
    - Midway Road Reconstruction • Southbound lanes from Belt Line to Proton are under construction • Anticipate major paving operations south of Belt Line Road to be completed by spring of 2023 • Temporary signals being installed north of Belt Line • Major paving operations north of Belt Line expected in next few weeks • Current Estimated Costs $41.1M Major CIP and Bond Project

- **Recently Completed Projects**
    - Kellway Lift Station Bypass Project • Completed in August 2022 • Budgeted $1.1M • Total Project Cost $854K
    - Surveyor Chloramine Booster Station Project • Completed in November 2022 • Budgeted $1.3M • Total Project Cost $1.3M
    - Winnwood Bridge Armoring Project • Construction completed in December 2022 • Project Budget $450,000 • Estimated Total Cost $400,000 Major CIP and Bond Projects 14 Upcoming Projects Lake Forest Drive Water and Sewer Improvement

- **Upcoming Projects**
    - Lake Forest Drive Water and Sewer Improvements • Bidding for construction in February 2023 • Anticipate 10 months of construction • Project Budget $1.2M
    - Surveyor Pump Station Electrical Upgrades • Bidding for construction in January 2023 • Anticipate 6 months of construction • Construction timing will be heavily dependent on availability of electrical components • Project Budget $1.2M Major CIP and Bond Projects
    - Keller Springs Road Reconstruction • Working on ROW and easement acquisitions • Opened proposals for construction in November 2022 • Recommending rejecting the two proposals that were received due to them being over the project budget. • Town staff and the design engineer will work together to implement ways to reduce the project cost and make the proposals more competitive • Staff will re -issue the RFP once the projects once the altered design and scope are finalized
    - Airport Parkway Reconstruction • Currently at 95% design • Working on ROW and easement acquisitions • Construction is scheduled to follow the completion of Keller Springs • Project Budget $9.4M
    - Quorum Drive Reconstruction • Issued RFP for design services and are in negotiations • Construction will immediately follow Midway Road Construction • Project Budget $27.6M
    - Montfort Drive Reconstruction • Construction will immediately follow completion of Quorum Drive Project • Project Budget $7.3M
    - Bella Lane North Connector • Recent changes to the updated Vitruvian

development affected the design of the project, currently on hold Projects Updates Website

- Project updates can be found at addisontx.net/projects • Website has list of many projects across multiple departments.

2. **Present and Discuss Designating Vote Centers in the Town ofAddison.** *[Irma Parker, City Secretary]*

The City Council adopted an Ordinance Calling the May 6, 2023 General Election at the January 10th Meeting. Not included in the Ordinance was the designation of an Early Voting and Election Day Voting location or Vote Centers. Historically, Fire Station No. 1, 4798 Airport Parkway, has been designed as an Early Voting and Election Day Vote Center, with Fire Station No. 2, 3950 Beltway Drive, being utilized as an Election Day Vote Center. At the request of Council, staff has prepared this agenda item to discuss other possible Vote Center options.

Texas Election Code section 43.007 allows counties to eliminate county election precinct polling places and establish countywide polling places (vote centers) for all Elections. This allows a voter to vote at any vote center within the County. Beginning in November 2019 elections have been conducted at the following locations within the Town of Addison: (1) Fire Station 1 – Early Voting & Election Day, (2) Fire Station 2 – Early Voting only, (3) Addison Conference Center – Early Voting & Election Day (4) Loos Field House – Election Day.

The criteria for a vote center includes a location with (1) large Room with square footage necessary to accommodate voting equipment and to meet the anticipated voter turnout, (2) Internet capabilities and good reception, (3) ADA Accessibility, (4) Adequate parking, on-site with good lighting and some parking spaces that are close to the building so they can be reserved for voters with disabilities, (5) On city transportation bus routes and major thoroughfare for easy voter access, (6) Easily identifiable buildings within the community, easier for voters to locate, (7) Site is available for use the day before Early Voting/Election Day setup, and the day after (breakdown), and cannot be used for another event during this time (8) Allow political signs and electioneering, and (9) No security concerns.

Annually, the Dallas County Elections Department and the Vote Center Advisory Committee review the current vote centers and recommend consolidation, eliminate unavailable or unreliable vote centers, eliminate vote centers that are not ADA compliant - conduct survey of all vote centers. The current facilities, fire stations, are not ADA compliant.

Facility Review

Facility	Pro	Con
Airport – Conference Room 2nd Floor	Building distinctive, available for voting	Access is awkward, limited parking, access street in need of repair
Athletic Club	Ample parking, large rooms, building distinctive, easy access, available for voting	Facility has activities/programs making it difficult to use for entire Early Voting time
Conference Center/Stone Cottage	Ample parking, large rooms, building distinctive, easy access, available for voting	Not staffed at this time
Finance Building	1st floor ADA compliant	Limited parking

Fire Station 1	Administration area is only area ADA compliant	Limited parking, no way to secure administration and operations, station is left unsecured
Fire Station 2	Not ADA compliant	
Police/Municipal Court	Lobby area good size, courtroom could be used if not needed by Court	Limited parking, no access to voters or election workers to break room
Police Storefront		Too small
Service Center		Very limited parking, no large room
Town Hall	Only 1st floor is ADA accessible	Limited parking
Miscellaneous Facilities – Water Tower & Learning Center, Lift/Pump Stations		Not good options

The City Council must decide:

- Select location(s) to serve as both Early Voting & Election Day Vote Center
- Select location(s) to serve as Election Day Voting Only
- Select location(s) to serve as Early Voting Only
- Eliminate location(s)
- Other suggestions

Staff recommendation(s) is to designate the Addison Conference Center, 4905 Addison Circle, as location for Early Voting & Election Day Voting and eliminate use of Fire Station 1 and 2. Dallas County as requested that Fire Station 1 and 2 not be used. A map showing vote centers located within close proximity to Addison Voters includes Loos Field House, Anne Frank Elementary School and library, churches, recreation centers in Carrollton, Dallas, Farmers Branch within five (5) miles of Addison corporate city limits.

Directive: Designate Addison Conference Center as Vote Center in Addison and discontinue use of Fire Station 1 and 2.

REGULAR MEETING

Announcements and Acknowledgments Regarding Town and Council Events and Activities

Discussion of Meetings / Events *[David Gaines, City Manager]*

- The February 14th Council Meeting has been rescheduled to Monday, February 13, 2023.

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 theagenda. 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 actionor discuss any item not listed on the agenda. The Council may choose to place the item on a future agenda.*

City Secretary Parker advised that there were no citizen requests to address the City Council.

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

3. **Consider Action on the Minutes from the January 10, 2023 CityCouncil Meeting.**

4. **Consider Action on the Purchase of a Blower Upgrade to the Public Works GapVax Truck from Lonestar Municipal Equipment and Authorize the City Manager to Execute thePurchase Order in an Amount Not to Exceed $57,363.76.**

5. **Consider Action on a Resolution Approving the Purchase of Six Vehicles for the Utilities, General Services, Development Services, and Police Departments; and Authorizing the City Manager to Execute the Purchase Agreements in an Amount Not toExceed $292,301.94.**

6. **Consider Action to Reject Proposals Received in Response toSolicitation #23-02 for the Keller Springs Road RevitalizationProject.**

Mayor Chow called for any item to be removed from the Consent Agenda to be discussed separately. There were no requests. Mayor Chow called for a motion.

MOTION: Council Member Resnik moved to approve Consent Agenda Items 3 – 6 as presented. Deputy Mayor Pro-Tempore Ward seconded the motion. Motion carried unanimously.

Resolution No. R23-009: Purchase vehicles in Utility, General/Development Services and Police Departments

Regular Items

7. **Consider Action on a Resolution Accepting Place 2 Planning & Zoning Commissioner Resignation and Appointing a New Place 2Member to Fill the Unexpired Term.** *[Irma Parker, City Secretary]*

Section 8.05(a) of the Charter requires automatic resignation upon filing for candidacy for any officer or board member that is appointed by Council: "*...If a member of any board appointed by the Council or any officer appointed by the City Council shall become a candidate for election to any public office, he shall immediately forfeit his place or position with the Town."* On January 18, 2023, Place 2 Planning & Zoning Commissioner Nancy Craig submitted her letter of resignation. On this date, Ms. Craig also applied for a Place on the Ballot for the May 6, 2023 General Election for the City Council.

The Place 2 appointment(s) are appointed by Council Member Guillermo Quintanilla. On January 18th, Council Member Quintanilla was notified of Commission Member Craig's resignation via

email. At the request of Council Member Quintanilla, a resolution has been prepared to accept the resignation and appoint an individual to fill Place 2 until December 2024.

MOTION: Council Member Quintanilla moved to appoint Diane Chavez to Place 2 of the Planning & Zoning Commission for a term to expire in December 2024. Council Member Braun seconded the motion. Motion carried unanimously.

Resolution No. R23-010: Accept Nancy Craig resignation and appoint Diane Chavez to Planning & Zoning Commission

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Adjourn Meeting

There being no further business to come before the City Council, Mayor Chow adjourned the meeting at 7:34 PM.

TOWN OF ADDISON, TEXAS

_____
Joe Chow, Mayor

ATTEST:

_____
Irma G. Parker, City Secretary

Council Meeting 2023 **6.**

Meeting Date: 02/13/2023

Department: Parks & Recreation
Pillars: Excellence in Transportation Systems
Milestones: Improve all modes of transportation with infrastructure in an acceptable condition and well maintained

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AGENDA CAPTION:

Consider action on a **Resolution Approving an Agreement with Moore Iacofano Goltsman, Inc. (MIG) for Professional Engineering Services for the Development of Construction Documents for the Addison Beltway Drive Trail Project and Authorizing the City Manager to Execute the Agreement** in an Amount Not to Exceed $223,000.

BACKGROUND:

The City-Wide Trail Master Plan (CWTMP) was adopted by Council on May 25, 2021. Pages 40-41 of the plan identify Phase 1 projects that are recommended to be completed within 0-5 years of the date of adoption. The development of a trail system along Beltway Drive between Marsh Lane and Belt Line Road is included in the CWTMP's Phase 1 recommendations. Specific recommendations for the Beltway Drive Trail project, based on community input, include:

- Buffered Bike Lanes between Marsh Lane and Midway Road.
- Bicycle Boulevard between Midway Road and Belt Line Road.
- Wide Sidewalk with Buffer from the Redding Trail heading east to Belt Line Road.

On December 14, 2021, Council approved a professional services agreement with Moore Iacofano Goltsman, Inc. (MIG) for professional engineering services for conceptual design of the Beltway Drive Trail project for an amount not to exceed $65,998. The development of Trail Signage and Wayfinding Standards and the development of a Public Input Survey were included in the Beltway Drive Trail scope of services. The Public Input Survey created by MIG was conducted by staff to gather information to help guide the development of the conceptual design. On August 23, 2022, a staff presentation to Council included results of public input and staff's recommendations for moving forward with the conceptual design.

Council approved $223,000 in the Fiscal Year 2023 Budget for the development of construction documents for Addison Beltway Drive Trail and Greenspace as a result of the approved conceptual plan. Town staff selected Moore Iacofano Goltsman (MIG), the firm that developed the Beltway Drive Trail and Greenspace

conceptual plan, as the most qualified team to complete the construction documents for the project. MIG is listed in the Town's pre-qualified consultant pool which was established through the selection process for Bid Number 17-180 Request for Qualifications for various Town projects. MIG's proposal includes preparation of topographic surveying, estimate of probable construction costs, development of construction documentation, bidding support and construction oversight.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution- Agreement with Moore Iacofono Goltsman for Belltway Drive Trail

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RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH MOORE IACOFANO GOLTSMAN, INC. (MIG) FOR CONSTRUCTION DOCUMENT PREPARATION AND RELATED CONSULTING SERVICES FOR THE BELTWAY DRIVE TRAIL IN AN AMOUNT NOT TO EXCEED $223,000.00; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council desires to authorize a professional services agreement with Moore Iacofano Goltsman, Inc. (MIG) for preparation of the construction documents and related consulting services for the Addison Beltway Drive Trail project (the "Agreement").

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

SECTION 1. The City Council hereby approves the Agreement between the Town of Addison and Moore Iacofano Goltsman, Inc. (MIG) for the above-referenced services in conformance in an amount not-to-exceed of $223,000.00, a copy of which is attached to this Resolution as **Exhibit A**. The City Manager is hereby authorized to execute the agreement.

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 ***13th*** day of ***FEBRUARY***, 2023.

TOWN OF ADDISON, TEXAS

_____
Joe Chow, Mayor

ATTEST:

_____
Irma Parker, City Secretary

EXHIBIT A

PROFESSIONAL SERVICES AGREEMENT
ADDISON BELTWAY DRIVE TRAIL
CONSTRUCTION DOCUMENT PREPARATION SERVICES

This Professional Services Agreement ("Agreement") is made by and between the **Town of Addison, Texas** ("City"), and **Moore Iacofano Goltsman, Inc. (MIG)** ("Professional") (each a "party" and collectively the "parties"), acting by and through their respective authorized representatives.

RECITALS

WHEREAS, City desires to engage Professional to perform certain work and services, hereinafter referred to only as "services", as further specified in the Scope of Services defined in Section 1 of this Agreement; and

WHEREAS, Professional has expressed a willingness to perform said services in conformance with this Agreement.

NOW, THEREFORE, for and in consideration of the covenants and promises made one to the other herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. Scope of Services

Upon written notice to proceed by City, Professional agrees to provide to City Addison Beltway Drive Trail Construction Document Preparation Services ("Project"), as set forth in the Scope of Services attached hereto as **Exhibit "A"** and incorporated herein by reference (the "Scope of Services"). Professional shall not be entitled to any claim for extra services, additional services or changes in the services without a written agreement with City prior to the performance of such services.

Section 2. Term of Agreement

The term of this Agreement shall begin on the last date of execution hereof (the "Effective Date") and shall continue until Professional completes the services required herein and the City has accepted the same, unless sooner terminated as provided in this Agreement.

Section 3. Professional's Obligations

(a) Performance of Services. Professional shall furnish and pay for all labor, tools, software, materials, equipment, supplies, transportation and management necessary to perform the services. To the extent reasonably necessary, Professional may engage the services of any agents, assistants, or other persons that Professional may deem proper to assist in the performance of the services under this Agreement; provided, that Professional shall be responsible for all costs related thereto, except as expressly authorized in writing in advance by City.

(b) Site Access. City will endeavor to provide such rights of access on any project site as may be reasonably necessary for Professional to perform any necessary studies, surveys, tests or other required investigations in relation to the services; provided, that City shall have no obligation to (i) provide off-site access, (ii) provide access to private property for which City does not have an existing right to access, nor (ii) incur any costs associated with the access to be provided under this Agreement.

(c) Standard of Care. Professional shall perform the services with the skill and care ordinarily provided by competent professionals practicing in the same or similar locality and under the same or similar circumstances and professional licenses. Professional shall be responsible for the professional quality, technical accuracy, and the coordination of all services, including all Project Documents, designs, drawings, specifications, plans, reports, presentations and all other services furnished by Professional under this Agreement. Professional shall, without additional compensation, correct or revise any errors or deficiencies in the services. Professional shall further make, without expense to City, such revisions to the Project Documents as may be required to meet the needs of City and which are within the Professional's Scope of Services.

(d) Additional Services. Should City require additional services not included under this Agreement, Professional shall make reasonable effort to provide such additional services in accordance with the fee schedule set forth in **Exhibit A**, and within the time schedule prescribed by City; and without decreasing the effectiveness of the performance of services required under this Agreement.

(e) No Waiver of City's Rights. Neither City's review, approval, acceptance of, nor payment for any of the services required under this Agreement, shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and Professional shall be and remain liable to City in accordance with applicable law for all damages to City caused by Professional's negligent performance of any of the services furnished under this Agreement.

(f) Independent Contractor. It is understood and agreed by and between the parties that Professional, while performing under this Agreement, is acting independently, and that City assumes no responsibility or liabilities to any third party in connection with Professional's actions. All services to be performed by Professional pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of City. Professional shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Agreement. There is no intended third-party beneficiary to this Agreement.

(g) Inspection of Records. Professional grants City and its designees the right to audit, examine or inspect, at City's election, all of Professional's Records (defined below) relating to the performance of services under this Agreement, during the term of the Agreement and any retention period herein. City's audit, examination, or inspection of Professional's Records may be performed by a City designee, which may include its internal auditors or an outside representative engaged by City. Professional agrees to retain Professional's Records for a minimum of four (4) years following termination of the Agreement, unless there is an ongoing dispute under the contract; then, such retention period shall extend until final resolution of the dispute. "Professional's Records" shall include any and all information, materials and data of every kind and character generated in connection with the services under this Agreement. City agrees that it will exercise its right to audit, examine or inspect Professional's Records during regular business hours unless City has provided advance written notice of an alternate time. Professional agrees to allow City and its designees access to all of Professional's Records, Professional's facilities, and the current or former employees of Professional, to the extent deemed reasonably necessary by City or its designee(s), to perform such audit, inspection or examination.

(h) Certification of No Conflicts. Professional hereby warrants to the City that Professional has made full disclosure in writing of any existing or potential conflicts of interest related to Professional's services under this Agreement. In the event that any conflicts of interest arise after the Effective Date of this Agreement, Professional hereby agrees immediately to make full disclosure to the City in writing.

(i) Hazardous Materials. Professional shall report the presence and location of any hazardous materials it notices or which a professional of similar skill and experience should have noticed to the City.

Section 4. Performance Schedule

(a) Time for Performance. Professional shall perform all services as provided for under this Agreement in a proper, efficient, timely, and professional manner in accordance with City's requirements. In the event Professional's performance of this Agreement is delayed or interfered with by acts of the City or others, Professional may request an extension of time in conformance with this Section 4 for the performance of same as hereinafter provided but shall not be entitled to any increase in fee or price, or to damages or additional compensation as a consequence of such delays.

(b) Extensions; Written Request Required. No allowance of any extension of time, for any cause whatever (including an event of Force Majeure as defined herein below), shall be claimed or made to Professional, unless Professional shall have made written request upon City for such extension within forty-eight (48) hours after the cause for such extension occurred, and unless City and Professional have agreed in writing upon the allowance of additional time to be made.

Section 5. Documents

(a) Project Documents. All proposals, reports, studies, surveys, applications, drawings, plans, specifications, data, and other documents, whether in draft form or final form (including any electronic format) prepared by Professional and its employees, consultants, subcontractors, agents, or representatives (collectively referred to in this section as "Professional) for the use and/or benefit of City in connection with this Agreement ("Project Documents"). Professional shall be deemed the authors of their respective component of the Project Documents. Notwithstanding, upon payment by City as required by this Agreement, City shall own, have, keep and retain all rights, title and interest in and to all Project Documents, including all ownership, common law, statutory, and other reserved rights, including copyrights (except copyrights held by the Professional) in and to all Project Documents, whether in draft form or final form, which are produced at City's request and in furtherance of this Agreement. City shall have full authority to authorize any contractor(s), subcontractors, consultants, and material or equipment suppliers to reproduce applicable portions of the Project Documents to and for use in their execution of the services or for any other purpose. Acceptance and approval of the Project Documents by City shall not constitute nor be deemed a release of the responsibility and liability of Professional for the accuracy or competency of its designs, working drawings, specifications, or other documents; nor shall such approval be deemed to be an assumption of such responsibility by City for any defect in the designs, working drawings and specifications, or any other documents prepared by Professional.

(b) Professional's Documents. All previously owned intellectual property of Professional, including but not limited to any computer software (object code and source code), tools, systems, equipment or other information used by Professional or its suppliers in the course of delivering the Services hereunder, and any know-how, methodologies or processes used by Professional to provide the services or protect deliverables to City, including without limitation, all copyrights, trademarks, patents, trade secrets and any other proprietary rights inherent therein and appurtenant thereto ("Professional's Documents"), shall remain the sole and exclusive property of Professional. Notwithstanding, Professional agrees that City shall have the right to access to all such information and City is granted the right to make and retain copies of Professional's Documents. City acknowledges that any reuse of Professional's Documents without specific written verification or adaptation by Professional will be at City's sole risk and without liability or legal exposure to Professional.

(c) Confidential Information. Professional agrees it will notify City in writing if it considers specific information to be confidential or proprietary trade secrets and will use its best efforts to clearly mark all such information as "Confidential" and/or "Proprietary – Trade Secret" at the time it is delivered or made accessible to City. City acknowledges that all such designated information is considered by Professional to be confidential and the exclusive property of Professional. Notwithstanding the foregoing, Professional acknowledges that this Agreement, and all services performed hereunder, are subject to the legal requirements of the Texas Public Information Act and that City will have no obligation to protect or otherwise limit disclosure of any confidential or proprietary information if Professional has not notified City of such designation in conformance with this section. Professional agrees and covenants to protect any and all proprietary rights of City (or other persons) in any materials provided to Professional by City. Additionally, any materials provided to Professional by City shall not be released to any third party without the consent of City and shall be returned intact to City upon termination or completion of this Agreement if instructed to do so by City. In the event City delivers to Professional any information that has been expressly marked "Confidential" or has notified Professional is confidential or is the proprietary information of a third-party, Professional agrees it shall not disclose to anyone directly or indirectly during the term of this Agreement or at any time thereafter, any such information, nor shall it use any such information for any purpose other than as reasonably necessary in connection with Professional's performance of the services under this Agreement. Professional shall further, at its own expense, defend all suits or proceedings instituted against City and pay any award of damages or loss resulting from an injunction, against City, insofar as the same are based on any claim that materials or services provided under this Agreement constitute an infringement of any patent, trade secret, trademark, copyright or other intellectual property rights. Notwithstanding, the foregoing confidentiality obligations shall not extend to and nothing herein shall limit either party's right to disclose any information provided hereunder which: (i) was or becomes generally available to the public, other than as a result of a disclosure by the receiving party or its personnel; (ii) was or becomes available to the receiving party or its representatives on a non-confidential basis, provided that the source of the information is not bound by a confidentiality agreement or otherwise prohibited from transmitting such information by a contractual, legal, or fiduciary duty; (iii) was independently developed by the receiving party without the use of any confidential information of the disclosing party; or (iv) is required to be disclosed by applicable law or a court order.

Section 6. Payment

(a) Compensation. Professional's compensation shall be as specified in the payment schedule set forth in **Exhibit A**; provided, that the total compensation under this Agreement shall not exceed TWO HUNDRED AND TWENTY-THREE THOUSAND DOLLARS ($223,000.00), excluding additional services duly authorized and approved by the City in its sole discretion.

(b) Payment Terms. City agrees to pay Professional for all services authorized in writing and properly performed by Professional in general conformance with the fee schedule set forth in **Exhibit A**, subject to changes in the Scope of Services or additional services agreed upon in writing. Unless otherwise agreed in writing, all payments to Professional by City shall be based on detailed monthly invoices submitted by Professional for work performed and accepted by City, less any previous payments. Payment will be due within thirty (30) days of the City's receipt and acceptance of an approved invoice. Notwithstanding the foregoing, City reserves the right to delay, without penalty, any payment to Professional when, in the opinion of City, Professional has not made satisfactory progress on the Project as described in the Scope of Services.

(c) Deductions. City may deduct from any amounts due or to become due to Professional any sum or sums owing by Professional to City. In the event of any breach by Professional of any provision or obligation of this Agreement, or in the event of the assertion by other parties of any claim or lien against

City, or City's premises, arising out of Professional's performance of this Agreement, City shall have the right to retain out of any payments due or to become due to Professional an amount sufficient to completely protect City from any and all reasonably anticipated loss, damage or expense therefrom, until the breach, claim or lien has been satisfactorily remedied or adjusted by Professional.

Section 7. Default; Force Majeure

(a) Default; Notice to Cure. A party shall be deemed in default under this Agreement if the party is in breach of a material provision of this Agreement and said breach is not cured within fifteen (15) days written notice of default by the other party. In the event the breaching party has notified the other party in writing that it is diligently working to cure the breach and has provided reasonable written evidence in support of the same, the breaching party shall not be deemed in default until the thirtieth (30th) day following the non-breaching party's notice of default.

(b) Default by Professional. In addition to default under Section 7(a) above, Professional shall be in default under this Agreement if Professional fails to comply or becomes disabled and unable to comply with the provisions of this Agreement related to Professional's performance of the services, including the quality or character of the services or time of performance for any material component of the services. If such default is not corrected within ten (10) days from the date of City's written notice to Professional regarding the same, City may, at its sole discretion without prejudice to any other right or remedy:

(i) Terminate this Agreement and be relieved of the payment of any further consideration to Professional except for all services determined by City to be satisfactorily completed prior to termination. Payment for work satisfactorily completed shall be for actual costs, including reasonable salaries and travel expenses of Professional to and from meetings called by City at which Professional is required to attend, but shall not include any loss of profit of Professional. In the event of such termination, City may proceed to complete the services in any manner deemed proper by City, either by the use of its own forces or by re-subletting to others; or

(ii) City may, without terminating this Agreement or taking over the services, furnish the necessary labor, materials, equipment, supplies and/or assistance necessary to remedy the situation, at the expense of Professional.

(c) Force Majeure. To the extent either party of this Agreement shall be wholly or partially prevented from the performance of any obligation or duty placed on such party by reason of or through stoppage of labor, riot, fire, flood, acts of war, insurrection, court judgment, or a government restriction, quarantine or mandatory closure order enacted in response to a pandemic or other public health crises, or other specific cause reasonably beyond the party's control and not attributable to its malfeasance, neglect or nonfeasance (each an event of "Force Majeure"), the time for performance of such obligation (other than a payment obligation) may be extended for a period equal to the time lost by reason such event, provided, that the party complies with the provisions of this section. Specifically, the party asserting Force Majeure (i) shall give prompt notice to the other party of the prevention of performance as soon as the asserting party is reasonably aware of such prevention, and (ii) has the burden of demonstrating: (1) how and why their performance was so prevented, (2) the period of time during which they were so prevented from performing (which under the facts may be equal to, or shorter or longer than, the duration of the Force Majeure event itself), and (3) that the party used commercially reasonable efforts to mitigate and/or eliminate such prevention and resumed performance under this Agreement as soon as reasonably practicable.

Section 8. Termination; Suspension

(a) Termination Upon Default. Either party may terminate this Agreement upon written notice if the other party is in default of this Agreement, subject to the defaulting party's right to cure in conformance with the terms of this Agreement.

(b) Termination by City. City shall be entitled to terminate this Agreement, with or without cause, by providing thirty (30) days prior written notice to Professional.

(c) Termination Following Request for Modification. Should City require a modification of this Agreement with Professional, and in the event City and Professional fail to agree upon a modification to this Agreement, City shall have the option of terminating this Agreement and Professional's services hereunder at no additional cost other than the payment to Professional, in accordance with the terms of this Agreement, for the services reasonably determined by City to be properly performed by Professional prior to such termination date.

(d) Suspension. City reserves the right to suspend this Agreement for the convenience of City by issuing a written notice of suspension which shall describe City's reason(s) for the suspension and the expected duration of the suspension. Such expected duration shall, in no way, guarantee what the total number of days of suspension shall occur. Such suspension shall take effect immediately upon Professional's receipt of said notice. Should such suspension extend past the expected duration identified by City in its latest notice of suspension, Professional shall have the right to terminate this Agreement if (i) Professional provides not less than thirty (30) days prior written notice to City requesting to recommence the services, and (ii) City does not recommence the services within the time requested.

Section 9. Insurance

Professional shall during the term hereof maintain in full force and effect all policies of insurance reasonably required by City. Professional's obligation to provide acceptable certificates of insurance is a material condition precedent to this Agreement, and services under this Agreement shall not commence until certificates of insurance have been received, reviewed, and accepted by City. The minimum coverages and limits of liability for the policies of insurance required for the specific services under this Agreement are maintained by and accessible through the City's purchasing department.

Section 10. Indemnification; Notice.

CITY SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE, OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY ARISING FROM THE SERVICES OF PROFESSIONAL PURSUANT TO THIS AGREEMENT. PROFESSIONAL HEREBY WAIVES ALL CLAIMS AGAINST CITY, ITS OFFICERS, AGENTS AND EMPLOYEES (COLLECTIVELY REFERRED TO IN THIS SECTION AS "CITY INDEMNITEES") FOR DAMAGE TO ANY PROPERTY OR INJURY TO, OR DEATH OF, ANY PERSON ARISING AT ANY TIME AND FROM ANY CAUSE OTHER THAN THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CITY INDEMNITEES. PROFESSIONAL AGREES TO INDEMNIFY, DEFEND, AND SAVE HARMLESS THE CITY INDEMNITEES FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS, SUITS, COSTS (INCLUDING COURT COSTS, REASONABLE ATTORNEYS' FEES AND COSTS OF INVESTIGATION) AND ACTIONS OF ANY KIND BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF PROPERTY TO THE EXTENT CAUSED BY THE NEGLIGENT PERFORMANCE OF SERVICES UNDER THIS AGREEMENT OR BY REASON OF ANY NEGLIGENT ACT OR OMISSION ON THE PART OF PROFESSIONAL, ITS

OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, CONTRACTORS, SERVANTS, REPRESENTATIVES, CONSULTANTS, LICENSEES, SUCCESSORS OR PERMITTED ASSIGNS (EXCEPT WHEN SUCH LIABILITY, CLAIMS, SUITS, COSTS, INJURIES, DEATHS OR DAMAGES ARISE FROM OR ARE ATTRIBUTED TO THE GROSS NEGLIGENCE OR WILFUL MISCONDUCT OF A CITY INDEMNITEE, IN WHOLE OR IN PART, IN WHICH CASE PROFESSIONAL SHALL INDEMNIFY THE CITY INDEMNITEES TO THE EXTENT OR PROPORTION OF NEGLIGENCE ATTRIBUTED TO PROFESSIONAL, ITS OFFICERS, AGENTS, OR EMPLOYEES AS DETERMINED BY A COURT OR OTHER FORUM OF COMPETENT JURISDICTION).

Notices of Claim. Professional shall promptly advise City in writing of any claim or demand against the City, related to or arising out of Professional's acts or omissions under this Agreement and shall see to the investigation and defense of such claims or demand at Professional's sole cost and expense; provided, that City, at its option and at its own expense, may participate in such defense without relieving Professional of any of its obligations hereunder. Professional's obligations under this section shall not be limited to the limits of coverage of insurance maintained or required to be maintained under this Agreement.

THE PROVISIONS OF THIS SECTION SHALL SURVIVE EXPIRATION OR TERMINATION OF THIS AGREEMENT FOR A PERIOD OF FOUR (4) YEARS.

Section 11. Notice.

All notices required by this Agreement shall be in writing and addressed to the parties at the addresses set forth on the signature page(s) of this Agreement (or to such other address that may be designated by the receiving party from time to time in accordance with this section). All notices shall be delivered by (a) personal delivery, (b) certified or registered mail (in each case, return receipt requested, postage prepaid), (c) nationally recognized overnight courier (with all fees pre-paid), or (d) email of a pdf document containing the required notice. Such notice or document shall be deemed to be delivered or given, whether actually received or not, (i) when received if delivered or given in person, (ii) if sent by United States mail, three (3) business days after being deposited in the United States mail as set forth above, (iii) on the next business day after the day the notice or document is provided to a nationally recognized carrier to be delivered as set forth above, or (iv) if sent by email, the next business day. A confirmation of delivery report which reflects the time that the email was delivered to the recipient's last notified email address is prima facie evidence of its receipt by the recipient, unless the sender receives a delivery failure notification, indicating that the email has not been delivered to the recipient.

Section 12. Verifications by Professional

Professional's execution of this Agreement shall serve as its formal acknowledgement and written verification that:

(a) if the requirements of Subchapter J, Chapter 552, Government Code, apply to this Agreement and Professional agrees that the Agreement can be terminated if Professional knowingly or intentionally fails to comply with a requirement of that subchapter;

(b) pursuant to Texas Government Code Chapter 2270, that Professional's organization does not presently boycott Israel and will not boycott Israel during the term of this Agreement; and

(c) pursuant to Texas Government Code Chapter 2251, that Professional's organization does not current discriminate against firearm and ammunition industries and will not for the term of the contract. Discriminating means refusing to deal with, terminating business activities with, or otherwise

taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with the firearm or ammunition industry or with a person or entity doing business in the firearm or ammunition industry, but does not include an action made for ordinary business purposes.

Section 13. Miscellaneous

(a) Professional shall not assign or sublet this Agreement, in whole or in part, without the prior written consent of City. (b) Professional shall comply with all federal, state, county, and municipal laws, ordinances, resolutions, regulations, rules, and orders applicable to the services under this Agreement. (c) The laws of the State of Texas shall govern this Agreement; and venue for any action concerning this Agreement shall be in the state district courts of Dallas County, Texas. The parties agree to submit to the personal and subject matter jurisdiction of said courts. (d) This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and there are no oral understandings, statements or stipulations bearing upon the meaning or effect of this Agreement which have not been incorporated herein. (e) The exhibits attached hereto, if any, are incorporated herein and made a part hereof for all purposes. (f) Unless expressly provided otherwise herein, this Agreement may only be modified, amended, supplemented or waived by a mutual written agreement of the parties. (g) In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it. (h) Any of the representations and obligations of the parties, as well as any rights and benefits of the parties pertaining to a period of time following the termination of this Agreement shall survive termination. (i) This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the parties. (j) Each party represents that it has full capacity and authority to grant all rights and assume all obligations granted and assumed under this Agreement. (k) Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK -
SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the Effective Date.

For City:	For Professional:
TOWN OF ADDISON, TEXAS	MOORE IACOFANO GOLTSMAN, INC. (MIG)
By: _____	By: _____
David Gaines City Manager	Daniel Iacofano CEO, President
Date: _____	Date: 2.1.23
Notice Address:	Notice Address:
Town of Addison Attn: City Manager P.O. Box 9010 Addison, Texas 75001 E: dgaines@addisontx.gov	Moore Iacofano Goltsman, Inc. (MIG) Attn: Cole Gehler, Project Manager 518 17th Street, Suite 630 Denver, Colorado 80202 E: coleg@migcom.com

Addison Contract ID:
PSA_JLP_January 24, 2023_v1.20220427

[Exhibit A to follow]

EXHIBIT "A"
SCOPE OF SERVICES

(attached)

Janna Tidwell, Director of Parks and Recreation
Joe Pack, Assistant Director of Parks and Recreation
Town of Addison
16801 Westgrove Drive
P.O. Box 9010 | Addison, Texas 75001

RE: Beltway Drive Trail Final Design

Project Description
The Town of Addison seeks to establish enhanced active transportation facilities, including pedestrian walkways, shared pedestrian-bicycle paths and on-street bicycle facilities along Beltway Drive from Marsh Lane to Belt Line Road. This project will facilitate the implementation of the 2022 Beltway Drive Trail Conceptual Design.

Project Location / Context
The proposed location of the Beltway Drive Trail is: from Marsh Lane to Belt Line Road and includes a walking loop through the adjacent greenspace, as illustrated below:



Nature of Work
Work includes preparation of topographic surveying, estimate of probable construction costs, development of construction documentations, bidding support and construction oversight.

Fee Summary

	Description	
PHASE 1	CONSTRUCTION DOCUMENTS PHASE	
Task 1	Preliminary Engineering Phase	$72,382
Task 2	60% Design Phase	$46,735
Task 3	90% Design Phase	$48,890
PHASE 2	BID PHASE	
Task 4	Bid Support	$27,660
PHASE 3	CONSTRUCTION PHASE	
Task 5	Construction Support	$26,680
	Total Basic Services	$222,347

Scope of Services

PHASE 1: CONSTRUCTION DOCUMENTS PHASE

Task 1: Preliminary Engineering Phase **($72,382)**

The preliminary engineering phase will primarily consist of translating the Conceptual Design plan onto the topographic survey and resolving conflicts uncovered by the topographic survey.

Subtasks will include:

- Kick-off Meeting (virtual)
- Project Coordination and Management
- Prepare Topographic Survey
- Develop preliminary Engineering Design (30%) plans
- Perform preliminary utility coordination. (illumination and irrigation services)

Task 1 Assumptions

- Project coordination (bi-weekly Zoom meetings with Town of Addison PM) and management time is included in this task based on an anticipated Task timeline of (12) weeks
- Survey
    - Surface features only will be collected, including one-call utility markings. Survey does not include underground utility inverts and details.
    - Aerial imagery dependent on Addison Airport airspace clearance.
    - Does not include arborist services.
    - Surveyor will need 4 weeks to mobilize from receipt of an executed contract. Once Mobilized, the Surveyor will require 4 weeks to complete field and office tasks.

- All deliverables will be provided in electronic PDF format, unless otherwise noted.
- Environmental clearance documentation is not anticipated.

Task 1 Deliverables

- Monthly progress report and invoices.
- Kick-off Meeting Agenda and Notes
- Topographic Survey
- Preliminary Engineering Design (30%) plans

Task 2: 60% Design Phase **($46,735)**

Work performed in this task will advance the design to 60% complete level for Town Staff.

Subtasks will include

- Development of 60% Complete Construction Plans and Details
- Development of 60% Complete Technical Specifications for Construction
- 60% Estimate of Probable Construction Costs
- 60% CD In-House QAQC Review
- 60% Review Meeting with Town Staff (virtual)
- Prepare responses to 30% Comments
- Prepare Value Engineering recommendations

Task 2 Assumptions

- Project coordination (bi-weekly Zoom meetings with Town of Addison PM) and management time is included in this task based on an anticipated Task timeline of (12) weeks
- All deliverables will be provided in electronic PDF format, unless otherwise noted.
- Construction document set will include the following:
    - Demolition Plan
    - Paving and Grading Plan
    - Irrigation Plan
    - Tree Protection/Planting Plan
    - Electrical Plans
    - Sections and Elevations
    - Electrical Details
    - Hardscape Details
    - Irrigation Details
    - Tree Protection/Planting Details
    - CSI-format Specifications for Lump Sum Bid

- Following preparation of the 60% Plans and Estimate of Probable Construction Costs, MIG will provide a list of Value Engineering options for Town review. Based on selection of preferred value engineering options by Town Staff, MIG will incorporate the changes in the 90% set. This task will include a virtual meeting with Town Staff to discuss the Value Engineering options and one round of refinements to the initial Value Engineering options.

Task 2 Deliverables

- Monthly progress report and invoices.
- Responses to 30% Review Comments
- 60% CD Drawing Set
- 60% CD Specifications
- 60% CD Estimate of Probable Cost

Task 3: 90% Design Phase **($48,890)**

Work performed in this task will advance the design to 90% complete level for Town Staff Review.

Subtasks will include:

- Facilitate Joint City Council-Public Meeting (virtual)
- Development of 90% Complete Construction Plans and Details
- Development of 90% Complete Technical Specifications for Construction
- 90% Estimate of Probable Construction Costs
- 90% CD In-House QAQC Review
- 90% Review Meeting with Town Staff (virtual)
- Prepare responses to 60% Comments

Task 3 Assumptions

- Project coordination (bi-weekly Zoom meetings with Town of Addison PM) and management time is included in this task based on an anticipated Task timeline of (8) weeks
- No separate TxDOT/permit submittal is anticipated.
- Construction document set will include the following:
    - Demolition Plan
    - Paving and Grading Plan
    - Irrigation Plan
    - Tree Protection/Planting Plan
    - Electrical Plans
    - Sections and Elevations
    - Electrical Details
    - Hardscape Details

- Irrigation Details
- Tree Protection/Planting Details
- CSI-format Specifications for Lump Sum Bid

Task 3 Deliverables:

- Monthly progress report and invoices.
- Visual aids for Joint City Council-Public Meeting
- Responses to 60% Review Comments
- 90% CD Drawing Set
- 90% CD Specifications
- 90% CD Estimate of Probable Cost

PHASE 2: BID PHASE

Task 4: Bid Support **($27,660)**

MIG will prepare the final signed and sealed drawings and specifications for bid. In this phase MIG will support Town Staff with bidding of the project through attending the Pre-proposal meeting and providing a compiled list of responses to Contractor questions for addendum.

Subtasks will include:

- Production of 100%/Bid Set
- 100% CD In-House QAQC Review
- Preparing Addendum & Responses to Questions (1 round)
- Attend Pre-Bid Meeting (virtual)

Task 4 Assumptions

- Project coordination (bi-weekly Zoom meetings with Town of Addison PM) and management time is included in this task based on an anticipated Task timeline of (8) weeks
- Preparation of a Conformed Construction Set is not anticipated for this project.
- "Front-end" documents for the Project Manual will be prepared by the Town (including bid form, General Provisions, Special Provisions and Div 01 specifications). MIG will compile the Project Manual.
- Bid Alternates are not anticipated. If requested by the Town, MIG can provide Bid Alternates as an additional service.
- Town will administer the bids including, advertisement, distribution, tabulation, posting addendum and bid analysis.

Task 4 Deliverables

- Monthly progress report and invoices.
- One (1) 100%/Bid Set (including drawings and specifications) in PDF format for reproduction
- One (1) Addendum and Response to Contractor Questions

PHASE 3: CONSTRUCTION PHASE

Task 5: Construction Support **($26,680)**

In this phase MIG will support Town Staff through construction of the project through attending the Pre-construction meeting and responding to Contractor RFI's and Submittals.

Subtasks will include:

- Participate in Pre-Construction Meeting
- Review and respond to construction submittals (10 Submittals)
- Respond to RFIs (2 RFI's)
- Perform site visit and prepare report for punchlist

Task 5 Assumptions

- Project coordination (bi-weekly Zoom meetings with Contractor and Town of Addison PM) and management time is included in this task based on an anticipated Task timeline of (24) weeks
- Provide the contractor with technical assistance to interpret drawings: RFI's.
- Review of submittals:
    - selected materials and components for compliance with contract documents.
    - review mock-ups and work samples.
- Prepare Punchlist to instruct contractor with regards to incomplete work and rectification of defects
- Town will administer the construction contract including, construction observation, change orders and pay requests.

Task 5 Deliverables

- Monthly progress report and invoices.

We sincerely look forward to working with the Town of Addison to implement the Beltway Drive Trail,

Nathaniel Riedy, PE,
Senior Civil Engineer/Project Manager
MIG Inc.

Council Meeting 2023 **7.**

Meeting Date: 02/13/2023

Department: Airport

Pillars: Innovative in Entrepreneurship & Business

Milestones: Leverage the use of the Airport to maximize business growth and expansion

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AGENDA CAPTION:

Consider Action on a Resolution **Approving a First Amendment to Ground Lease with AQRD Hangar Management, LLC for 4582 and 4584 Claire Chennault Drive at Addison Airport and Authorizing the City Manager to Execute the First Amendment to Ground Lease**.

BACKGROUND:

AQRD Hangar Management's ground lease commenced October 1, 2022 ("Ground Lease"). The permitted use of the leased premises is for the sale of aircraft and aircraft parts, aircraft maintenance and repair, aircraft storage, aircraft training, aircraft charter, and aircraft rentals.

The Ground Lease consists of two former airport lease parcels. As described in the Ground Lease, landlord and tenant desire to merge the two parcels into one consolidated parcel described by the new property survey. White Hawk Engineering completed their resurvey of the premises on December 18, 2022. The proposed First Amendment to Ground Lease adopts the new survey by amending and superseding Exhibit "2" - Legal Description of Demised Premises and Exhibit "3" - Legal Description of the Demised Premises of the Ground Lease. Furthermore, Section 3.A.3 of the Ground Lease requires the Base Rent to be recalculated based upon the new property survey as follows:

4582 and 4584 Claire Chennault Drive	Current	Amended	Increase
Demised Premises	68,250 SF	68,383 SF	133 SF
Annual Base Rent	$51,187.50	$51,287.25	$99.75
Monthly Base Rent	$4,265.63	$4,273.94	$8.31
Rent PSF	$.75	$.75	$0.00

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution with Exhibit
Subject Location

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, APPROVING A FIRST AMENDMENT TO GROUND LEASE BETWEEN THE TOWN OF ADDISON, TEXAS, AND AQRD HANGAR MANAGEMENT, LLC; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AMENDMENT; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. The First Amendment to Ground Lease between the Town of Addison and AQRD Hangar Management, LLC, modifying the legal description, property survey, and the Base Rent amount, a copy of which is attached to this Resolution as **Exhibit A**, is hereby approved. The City Manager is hereby authorized to execute the First Amendment to 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 ***13th*** day of ***FEBRUARY 2023*****.**

TOWN OF ADDISON, TEXAS

_____
Joe Chow, Mayor

ATTEST:

_____
Irma Parker, City Secretary

EXHIBIT "A"

STATE OF TEXAS §
§
COUNTY OF DALLAS §

KNOW ALL MEN BY THESE PRESENTS:

FIRST AMENDMENT TO GROUND LEASE

This First Amendment to Ground Lease ("First Amendment") is made and entered into and effective as of _____, 2023 ("Effective Date"), between the Town of Addison, Texas, a home-rule municipality ("Landlord" or "City"), and AQRD Hangar Management LLC, a Texas limited liability company ("Tenant").

WITNESSETH:

WHEREAS, Landlord and Tenant entered into that certain Ground Lease Agreement effective June 28, 2022 ("Ground Lease"), by the terms of which Landlord leased to Tenant and Tenant leased from Landlord a certain parcel of improved and unimproved land consisting of approximately 1.57 acres (approximately 68,383 square feet) of land located at what is commonly known as 4582 and 4584 Claire Chennault Drive (the "Demised "Premises"), as more fully described in Exhibit 2 and Exhibit 3 of the Ground Lease; and

WHEREAS, a true and correct copy of the Ground Lease is attached hereto as **Exhibit "A"** and incorporated herein by reference;

WHEREAS, Landlord and Tenant desire to amend and replace the property survey that is made part of the Ground Lease as Exhibit 2 in its entirety with the property survey dated December 19, 2022, prepared and signed by White Hawk Engineering; and

WHEREAS, pursuant to Paragraph A.3 under Section 3. Rental of the Ground Lease, if the Demised Premises is amended or modified and the gross square feet is increased or decreased, the Base Rent shall be recalculated using the prevailing Base Rental Rate subject to the adjustment as provided for in Section 4 of the Ground Lease; and

WHEREAS, Landlord and Tenant desire to amend the Ground Lease subject to the terms and conditions set forth below.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, in consideration of the terms, covenants, and conditions set forth in the Ground Lease and in this First Amendment, the sum of $10.00, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. **Recitals.** All the above and foregoing recitals and premises are incorporated herein and made a part of this First Amendment for all purposes.

2. **Amendment.** Landlord and Tenant agree to amend and modify the Ground Lease as follows:

   A. Exhibit 2 of the Ground Lease, being the property survey, is hereby replaced in its entirety with the property survey attached hereto and incorporated herein as **Exhibit "B"** of this First Amendment to Ground Lease.

   B. Exhibit 3 of the Ground Lease, being the legal description of the Demised Premises, is hereby replaced in its entirety with the legal description attached hereto and incorporated herein as **Exhibit "C"** of this First Amendment to Ground Lease.

   C. The Demised Premises described in the fourth paragraph of the preamble to the Ground Lease is amended and modified to read as follows ". . . *a portion of the Airport generally described and hereinafter referred to as that certain parcel of improved and unimproved land consisting of approximately 1.57 acres (approximately 68,383 gross square feet) located at what is commonly known as 4582 and 4584 Claire Chennault Drive . . .*".

   D. Section 3. Rental. Paragraph A.2 – Base Rent is hereby amended and replaced in its entirety to read as follows:

> **2. Base Rent**: Tenant agrees to and shall pay Landlord annual Rental for the Demised Premises in the amount of Fifty-One Thousand Two Hundred Eighty-Seven Dollars and 25/100 ($51,287.25) (Note: Base Rent is calculated at $0.75 per gross square foot located within the Demised Premises as determined by the Survey accepted by the parties) which amount shall be paid by Tenant in twelve equal monthly installments in advance on 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 Four Thousand, Two Hundred Seventy-Three Dollars and 94/100 ($4,273.94) is due and payable on or before the Commencement Date. Thereafter, another payment or 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 10th day of each month and subject to the provisions of Section 23 and Section 39.

3. **No Other Amendments.** Except to the extent modified or amended herein, all other terms, conditions, provisions, and obligations of the Ground Lease, as amended and/or modified, shall remain unchanged and in full force and effect during the Term of the Ground Lease.

4. **Authority to Execute.** The undersigned individuals, officers, and/or agents of the parties hereto have the authority to execute this First Amendment on behalf of each respective party, and each party certifies that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

IN WITNESS WHEREOF, the undersigned parties execute this First Amendment to Ground Lease as of the day, month, and year first above written.

TENANT:	**LANDLORD:**
AQRD Hangar Management LLC	**Town of Addison, Texas**
By: _____	By: _____
V. Raj Narayanan, Manager	**David Gaines, City Manager**

0635-0101
Page 3

ACKNOWLEDGEMENTS

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on January 18, 2023, by V. Raj Narayanan, Manager of AQRD Hangar Management LLC, a Texas limited liability company, on behalf of the company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 18 day of January, 2023.

VALLANITA LEWIS
Notary Public, State of Texas
Comm. Expires 09-07-2025
Notary ID 133315777

Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____ 2023, by David Gaines, City Manager of the Town of Addison, Texas, a Texas home-rule municipality, on behalf of the municipality.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 2023.

Irma G. Parker
Notary Public, State of Texas
Comm. Expires 08-07-2026
Notary ID 477006-4

Notary Public, State of Texas

EXHIBIT "A"

GROUND LEASE

STATE OF TEXAS §
§
COUNTY OF DALLAS §

Summary of Exhibits

- Exhibit 1: Legal Description of Addison Airport
- Exhibit 2- Property Survey
- Exhibit 3-Legal Description of Demised Premises
- Exhibit 4: Description of New Building Improvements
- Exhibit 5: Memorandum of Lease
- Exhibit 6: Form of Irrevocable Standby Letter of Credit
- Lease Addendum #1- Tenant's Leasehold Minimum Maintenance and Repair Standards and Practices
- Lease Addendum #2-Construction of New Building Improvements

GROUND LEASE AGREEMENT

This Ground Lease Agreement ("Lease") is made and entered into as of JUNE 28, 2022 (the "Effective Date"), by and among the **Town of Addison, Texas,** a Texas home-rule municipality (hereinafter sometimes referred to as "Landlord"), and **AQRD Hangar Management LLC,** a (Texas limited liability company) (hereinafter referred to as "Tenant") (Landlord and Tenant are sometimes referred to herein together as the "Parties").

WITNESSETH:

WHEREAS, the Landlord 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 by the Landlord or by any person or entity authorized by Landlord from time to time to manage and or operate the Airport on behalf of the Landlord (severally and/or collectively hereinafter referred to as "Airport Manager" or "Manager"); and

WHEREAS, the Town of Addison, as a home-rule municipality, operates under a municipal charter that has been adopted or amended as authorized by Article XI, Section 5, of the Texas Constitution. The Town of Addison, as a municipality, from time to time establishes and enforces federal, state and local ordinances, codes and regulations, which in doing so is acting in its governmental capacity, which may be the same or separate as its capacity as Landlord and Manager provided for herein; and

WHEREAS, Tenant desires to lease from the Landlord, and the Landlord desires to lease to Tenant, a portion of the Airport generally described and hereinafter referred to as that certain parcel of improved and unimproved land consisting of approximately 1.57 acres (approximately 68,250 gross square feet) located at what is commonly known as 4582 and 4584 Claire Chennault Drive, as shown on Exhibit 2 and being more particularly described on Exhibit 3, each attached hereto and incorporated herein (collectively the "Property Survey"), together with the non-exclusive right to use the Common Facilities as defined in Section 17 hereinbelow (which parcel is referred to herein as the "Demised Premises") according to the terms and conditions set forth in this Agreement. The Property Survey, which is mutually agreed to and accepted by the Parties, was prepared by a licensed surveyor in the state of Texas and provides a legal description by metes and bounds and establishes the gross square feet of land area contained within the Demised Premises used as the multiplier to calculate Base Rent identified in Section 3 hereinbelow;

WHEREAS, prior to the Effective Date of this Lease, a portion of the Demised Premises was subject to a certain ground lease first entered into and made effective June 17, 1981 with Donham Oil Tool Company and by way of assignment, Doyle Hartman and Margaret M. Hartman d/b/a/ Doyle Hartman, Oil Operator ("Hartman Ground Lease") was the last known tenant of record of the Hartman Ground Lease, which expired on February 28, 2022 as evidenced by that Memorandum of Ground Lease Expiration filed as Instrument #20220019405 with the Official Public Records of Dallas County, Texas (the "OPR"). The remaining portion of the Demised Premises was also subject to that certain ground lease first entered into and made effective June 17, 1981 with Donham Oil Tool Company, and by way of various assignments, Mills Group, Inc. (the "Mills Ground Lease") became the last known tenant of record of the Mills Ground Lease, which expired on June 29, 2022 as evidenced by that Memorandum of Ground Lease Expiration filed as Instrument #20220018597 0 with the OPR; and

WHEREAS, the Hartman Ground Lease and Mills Ground Lease were each subject to that certain Reciprocal Easement Agreement dated June 28, 1983, recorded in Volume 83139, Page 1576 of the Deed of Records of Dallas County, Texas and also recorded in Volume 83248, Page 4110 of the Deed Records of Dallas County, Texas (the "REA"). The REA was amended by that First Amendment to Reciprocal Easement Agreement dated December 19, 2011 as filed and recorded as Instrument #201100333707 in the OPR.

WHEREAS, immediately upon the expiration of the Hartman Ground Lease and the Mills Ground Lease, pursuant to the terms of said agreements, the ownership and title to any and all improvements on the respective demised premises became the sole property of Landlord, giving Landlord the exclusive right to sell, pledge, encumber, license, transfer or otherwise convey all said improvements made to the land.

WHEREAS, Landlord, in its sole and absolute discretion, terminated the REA, as amended or modifed, as evidenced by that certain Memorandum of Easement Termination filed and recorded in the OPR as Instrument #20220019 1245 dated July 8, 2022.

WHEREAS, it has long been held by Landlord that 4582 and 4584 Claire Chennault are best served to be operated at all times under the same tenant/operator to mitigate inherent vehicle, pedestrian, and aircraft ingress and egress conflicts. It is hereby the sole intent by Landlord, by way of this Lease, to make these two parcels inseverable (e.g. by way of assignment at some later date) other than at Landlord's sole and absolute discretion and consent[1].

WHEREAS, Landlord, in its sole and absolute discretion, hereby merges the demised premises of the Hartman Ground Lease and the Mills Ground Lease together and hereby replaces them in their entirety with the description of the Demised Premises as given above.

WHEREAS, the Demised Premises has been improved with two existing metal clad over steel frame conventional aircraft hangars with split-level office and shop space attached (each building approximately 13,540 building square feet[2]) together with approximately 24,150 square feet of dedicasted concrete aircraft apron, and 20,130 square feet of off-street covered parking with concrete vehicle driveway access (the "Existing Building Improvements").

---

[1] The premises may be sub-leased to multiple sub-tenants provided they are all made subject to Section 9 of this Lease. It is the intent for the two parcels to remain under the same operational control at all times.
[2] Per Dallas Appraisal Central District; 2022

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) and 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. Preliminary Period, Due Diligence Period, and Term:

A. Preliminary Period: The period of time beginning upon the Effective Date of this Lease and ending upon the Commencement Date is herein referred to as the "Preliminary Period". Any entry upon and/or use or occupancy of the Demised Premises by Tenant during the Preliminary Period shall be subject to all of the terms and conditions of this Lease.

B. Due Diligence Period: Commencing on the Effective Date of this Lease and ending the last day of the third calendar month following the Effective Date of this Lease (the "Due Diligence Period"), Tenant shall be allowed to perform such due diligence as necessary to assess, evaluate or to obtain basic information about the Demised Premises and, or about the Existing Building Improvements thereon including, but not limited to, the following:

1. The environmental condition of (and any hazardous materials present thereon) the Demised Premises, including the Existing Building Improvements thereon and the necessary remediation, if any, of the same, as provided for in Paragraph 22 - Environmental (for the avoidance of doubt, the due diligence shall include the Landlord providing the Tenant with copies of or access to any and all environmental studies including but not limited to Environmental Site Assessments conducted on the Demised Premises or adjacent parcels to which the Landlord has in its possession as of the Effective Date);

2. The fees, expenses, and tax obligations that will be assessed on the improvements resulting from the proposed redevelopment and capital improvements made to the Demised Premises from all local, state, or federal taxing authorities or other governmental or regulatory agencies;

3. Identifying the necessary permits, approvals, waivers and their related costs required by any governing authorities, including, but not limited to, the Town of Addison, Dallas County, the State of Texas, the Federal Aviation Association (FAA), and the Texas Department of Transportation (TxDOT), for the completion of the project contemplated herein;

4. Estimates for the necessary demolition and removal of, in whole or in part, the Existing Building Improvements and any related remediation efforts to prepare the site for redevelopment.

5. The Landlord may request, and Tenant shall timely remit to the Landlord such documentation and information deemed necessary and appropriate by the Landlord for it to make a determination as to Tenant and its guarantors, if any, creditworthiness, financial condition, organizational structure and governance suitability and capacity to perform under the terms and conditions of the Lease.

6. If either party is dissatisfied with the outcome of its due diligence or is unable to obtain the necessary information regarding one or more of the items listed in this sub-paragraph B, that party shall have the right to give the other party written notice describing sufficiently the deficiency and give the other party five (5) business days to either remedy the condition or give in writing a statement how they intend to timely remedy the condition. Notwithstanding the foregoing, either party may disaffirm this Lease by giving written notice to the other party on or before the expiration of the Due Diligence Period, in which case the Lease shall become null and void *ab inito* with no further obligation borne by either party to the other.

C. Term:

1. **Base Term:** Provided neither party disaffirms the Lease pursuant to Section 2.B above and all other provisions of this Lease, the term hereof shall commence on the first day of the first calendar month following the expiration of the Due Diligence Period (the "Commencement Date"), and shall end the last day of the sixtieth (60^{th}) calendar month following the Commencemenet Date (the "Base Term").

2. **Extended Term Option:** Provided Tenant (i) is not then in default beyond the expiration of applicable notice and cure periods under this Lease or any other agreement with Landlord, (ii) achieves Final Completion, and (iii) exceeds the stipulated Construction Value for the New Building Improvements as set forth and required in Lease Addendum #2 (attached hereto and incorporated herein by reference) on or before the expiration of the Base Term above, the Base Term shall be extended so that this Lease will end June 30^{th}, 2057 ("Extended Base Period"). Should Tenant earn and qualify for the Extended Base Period, the Parties hereby mutually agree to execute and record a Memorandum of Lease substantially in the form of **Exhibit 5** attached hereto this Lease and incorporated herein by reference, memorializing the Extended Base Term being in effect. Should Tenant fail to complete the New Building Improvements as required pursuant to Lease Addendum #2, Tenant shall not be entitled to this Extended Term causing the Base Term to remain unchanged except for as adjusted, if any, pursuant to Section 4 - Adjustment of Rent.

D. Notwithstanding the foregoing, it is the intent of the Parties to this Agreement not to allow the Term, including the Extended Term Option, to exceed the maximum statutory limit of forty (40) consecutive full-calendar years from the Commencement Date.

Section 3. Rental

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. Initial Rent Payment: Provided neither Landlord or Tenant terminate this Lease on or before the expiration of the Due Diligence Period pursuant to Section 2.B.6, above, it shall be deemed Tenant accepts the Demised Premises together with the Existing Building Improvements pursuant to Section 7 below. Accordingly, within five days following the expiration of the Due Diligence Period, Tenant shall pay or cause Landlord to be paid a one-time installment of Rental for the sum amount of Six Hundered Thirty-Five Thousand Dollars and no cents ($635,000.00 US) ("Initial Rent Payment") due and payable to the Addison Airport on behalf of Landlord in ACH funds or cashier's check, which such Initial Rent Payment shall be deemed fully earned and non-refundable except as otherwise provided for herein; and

2. Base Rent: Tenant agrees to and shall pay Landlord annual Rental for the Demised Premises in the amount of Fifty-One Thousand, One Hundred and Eighty-Seven Dollars and 50/100, ($51,187.50) (Note: Base Rent is calculated at $0.75 per gross square foot located within the Demised Premises as determined by the Survey accepted by the parties) which amount shall be paid by Tenant in twelve equal monthly installments in advance on 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 Four Thousand, Two Hundred and Sixty-Five Dollars and 63/100 ($4,265.63) is due and payable on or before the Commencement Date. Thereafter, another payment or 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 10th day of each month and subject to the provisions of Section 23 and Section 39.

3. If the Demised Premises is amended or modified and the gross square feet is increased or decreased, the Base Rent shall be recalculated using the prevailing Base Rental Rate subject to adjustment as provided for in Section 4.

4. In the event the Commencement Date is a date other than the first day of a calendar month, the monthly Base Rent determined in 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.

5. For purposes of this Lease, the term "Rent" means the Initial Rent Payment, 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. 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.2., above.

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 determined by Landlord) shall be substituted therefor.

Section 5. Permitted Use and Prohibited or Restricted Use of the Demised Premises:

A. **Permitted Uses:** The Demised Premises mayh be used and occupied by Tenant only for the following uses:

1. Constructing, owning and operating an aeronautical facility used in connection with the sale of aircraft and aircraft parts; aircraft maintenance and repair; repair of aircraft parts; aircraft storage; aircraft training; aircraft charter, aircraft rentals; and

2. Office or administrative space used in support of said aeronautical operations or services;

B. Prohibited or Restricted Use of Demised Premises: The following uses are expressly prohibited or restricted:

1. Ground transportation for rent or hire (including taxi and limousine service);

2. Retail services including food sales; barber and valet services, alcoholic beverage sales, sales of pilot supplies; newsstands and gifts;

3. Aircraft fueling operations without valid license or permit issued by Landlord;

4. Any use that would conflict with the FAA policy on the Non-Aeronautical Use of Airport Hangars as may be amended or modified (*FR/Vol. 81, No. 115, June 15, 2016; 14 CFR Chapter 1 [Docket No. FAA 2014-0463]).*

5. For any illegal purpose or any other activity (federal, state, county and municipal laws, rules, regulations, standards and policies) that, in Landlord's reasonable opinion, would create a nuisance, unreasonably disturb other tenants of the Airport, or which may cause an increase in Landlord's insurance costs, whether or not such increased costs are actually incurred; and

6. Aviation fueling operations of any kind without a valid fuel dispensing permit issued by the Town of Addison.

7. The Tenant shall in good faith continuously throughout the Term of this Lease conduct and carry on in the entire Demised Premises the type of business 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 reasonable periods for repairs and alterations of the Building Improvements to the Demised Premises, all such repairs and alterations to be diligently pursued to completion.

8. Tenant acknowledges that Landlord is bound by the terms and conditions of any and all Federal Aviation Administration, Texas Department of Transportation, and other grant agreements, grant assurances and regulations regarding the Airport, and the terms or 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 knowingly take any action or refrain from taking any action in relation to the Demised Premises that would cause Landlord to be in violation of such regulations or standards.

9. The Tenant for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that to the extent that the Demised Premises are used for commercial purposes that (i) no person shall be excluded from participation in, denied the benefits of or be otherwise subjected to discrimination in the use of said facilities on the basis of race, creed, color, national origin, sex, age or handicap; (ii) that in the construction of any improvements on, over or under the Demised Premises and the furnishing of services thereon, no person shall be excluded from participation in, denied the benefits of or be otherwise subjected to discrimination in the use of said facilities on the basis of race, creed, color, national origin, sex, age or handicap; (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.

10. To the extent the Demised Premises is used for commercial purposes, Tenant agrees to furnish all services on a fair, equal, and non-unjustly discriminatory basis to all users thereof and to charge fair, reasonable, and not unjustly discriminatory prices for such services, 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.

Section 6. Construction of Building Improvements:

In connection with the use and occupancy of the Demised Premises by Tenant, Tenant will cause to be constructed on the Demised Premises throughout the Term, buildings and other improvements at Tenant's sole cost, expense and risk including but not limited to the New Building Improvements referenced in Section 2.C.2 above and more specifically provided for in Lease Addendum #2 attached hereto and incorporated herein by reference. For purposes herein, the term "Building Improvements" shall mean, without limitation the Existing Building Improvements, as defined in the Preamble of this Lease made on or to the Demised Premises as of the Effective Date, the New Building Improvements as defined in Lease Addendum #2, and any other Future Building and Other Improvements (as defined in Lease Addendum #2) made to, constructed, installed, located or placed upon the Demised Premises during the Term, as the Term may be extended or modified. Except as provided for by this Lease (including Lease Addendum #2, Tenant may not construct, locate, install, place or erect any other improvements upon the Demised Premises without the prior written consent of Landlord.

Section 7. Acceptance of Demised Premises:

TENANT WILL ACKNOWLEDGE 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.E. 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 (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/ Leasehold 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. Assignment:

1. 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 assign, sell, pledge, encumber, 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) nor sublet (except as provided for in Section 9.B below) in whole or in part any portion 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 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.

2. 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: (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) audited financial statements or other evidence of the proposed assignee's creditworthiness and ability to assume Tenant's obligations under this Lease.

3. For purposes hereof, an assignment will be deemed to occur if the person or persons who own or have control of more than 50% of Tenant on the Effective Date of this First Amendment to Ground Lease cease to own or have control of more than 50% of Tenant at any time during the Term; provided that any such person shall have the unencumbered right to make from time to time gifts, sales or other transfers, upon death and/or *inter vivos*, of part or all of his or its ownership interest in the Tenant to a Permitted Transferee. A "Permitted Transferee" for purposes of this Lease, shall mean: (i) a person who is a parent or descendant of the transferor; (ii) a trust, the primary beneficiaries of which are relatives of the transferor as described in (i) above; (iii) an entity, the voting or financial control of which is owned by the transferor and/or his relatives as described in (i) above; and (iv) a trust, the primary beneficiary of which is such transferor; and such transfer shall not be considered an event deemed to be an "assignment" hereunder. Tenant shall provide to Landlord from time to time, as requested by Landlord and in a form acceptable to Landlord, a written certification as to the ownership and/or control of Tenant. 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 or partnership interests, by contract, or otherwise.

B. Subletting:

1. 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:

a. Each sublessee agrees to be bound by the terms and provisions of the Lease, including the provisions of Section 5 and Section 18 regarding the Airport's Governing Documents, to the extent such extends to a sublease; and

b. In the event of any conflict between the terms of the Lease and the terms of the sublease, the terms of the Lease shall control; and

c. Such subletting shall not constitute a novation of the Lease; and

d. 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; and

e. Any such sublease term shall not extend beyond the Term of this Lease, as this Lease may be amended or modified; and

f. Landlord shall have no responsibility or obligation for the performance by Tenant of its obligations under the sublease; and

g. With 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.

2. 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.

3. 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 an Event of Default, subject to notice and cure as provided in Section 23 of this Lease.

4. Upon request by Landlord, Tenant shall provide to Landlord within five (5) business days of receipt of each request a complete and accurate roster of any subtenants which shall include, but not be limited to, name, mailing address, email address, daytime telephone number, 24-hour emergency contact information, together with the make, model, aircraft type and "N" number of any aircraft regularly stored or located on or in the Demised Premises. Tenant's failure to provide said information as prescribed constitutes an Event of Default, subject to notice and cure, as provided in Section 23 of this Lease.

C. Mortgaging of Leasehold Estate:

1. 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 Lease Addendum #2, 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.

2. Any Mortgage affecting Tenant's leasehold estate 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 Mortgage.

3. 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.

4. 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 above) 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. 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.

Section 10. Property Taxes and Assessments:

A. Following the Commencement Date, 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 in good repair and in a first-class condition (in accordance with any construction and/or maintenance standards and specifications established by Landlord or Airport Manager from time to time and all applicable ordinances, codes, rules and regulations of or adopted by the Town of Addison, Texas) all the Demised

Premises and all buildings, improvements, fixtures, equipment and personal property (excluding aircraft stored in the Building Improvements) on the Demised Premises and keep them free from waste or nuisance and, at the expiration or termination of this Lease, deliver up the Demised Premises clean and free of trash and in good repair and condition (in accordance with any construction and/or maintenance standards and specifications established by Landlord or Airport Manager from time to time and all applicable ordinances, codes, rules and regulations of or adopted by the Town of Addison, Texas), with all fixtures and equipment situated in the Demised Premises in good working order, reasonable wear and tear excepted. Tenant shall reimburse Landlord for and indemnify Landlord against all damages which Landlord incurs from Tenant's delay in vacating the Demised Premises.

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, 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.

Section 12. Alterations, Additions and Improvements:

After completion of the New Building Improvements described in Lease Addendum #2, 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 Manager. Consent for non-structural alterations, additions or improvements shall not be unreasonably withheld by Landlord or Manager. Tenant shall have the right to erect or install shelves, bins, machinery, air conditioning or heating equipment and trade fixtures, 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, shall comply with all the standards and requirements set out above, and in Lease Addendum #2 and Section 8, and Tenant shall promptly pay and discharge all costs, expenses, claims for damages (including incidental, special, and consequential damages), liens and any and all other liabilities and obligations which arise in connection therewith (and shall defend, indemnify, and hold harmless Landlord and Manager, and their respective officials, officers, employees, and agents, from and against any and all such costs, expenses, claims, liens, liabilities, and obligations as set forth in Lease Addendum #2).

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 effected.

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 $1,000,000.00 each-occurrence each accident/$1,000,000.00 by disease each-occurrence/$1,000,000.00 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 $500,000.00 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 constructions managers, including design/build contractors used by Tenant, shall carry professional liability insurance at minimum limits of $250,000.00; 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 $1,000,000.00 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 $1,000,000.00 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 (except that if such insurance is canceled for non-payment of premium, such notice shall be ten [10] days.);

5. All insurance policies shall be endorsed to require the insurer to immediately notify the City and the Airport Manager of any material change in the insurance coverages;

6. 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;

7. Tenant may maintain reasonable and customary deductibles, subject to approval by Landlord; and

8. Insurance must be purchased from insurers that are financially acceptable to Landlord and licensed to do business in the State of Texas.

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; and

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, Lease Addendum #2 shall govern.

E. Landlord reserves the right to review 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 shall be sufficient for such purpose, at Tenant's sole cost, risk and expense will promptly and diligently commence and complete 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. 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 (including Lease Addendum #2), 8, and 13 hereof.

C. All insurance proceeds, if any, payable on account of such damage to or destruction of the buildings, structures and equipment on the Demised Premises shall be held by Landlord. Landlord shall be protected, and fully indemnified in accordance with Sections 6 and 21 hereof and other relevant provisions of this Lease, in acting upon any certificate believed 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 received by Landlord 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 expenses incurred by Landlord and Tenant in the collection thereof, including, without limitation, adjuster's and attorney's fees and 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 promptly commence Restoration, 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. All insurance proceeds, if any are remaining and/or available subject to another secured interest on the property, 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, 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.

B. If after such taking by or sale to said condemning authority 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.

C. If this Lease is not terminated pursuant to Section 15.A., above, Tenant shall promptly 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.

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, altered, removed, or terminated from time to time at Landlord's sole discretion.

Section 18. Airport Governing Documents.

Landlord, in its sole and absolute discretion, shall have the right from time to time to adopt, amend, modify, alter, and terminate in a reasonable manner certain rules and regulations, standards of operations, policies, procedures and practices deemed necessary and appropriate for the purpose of assuring the safety, welfare, fairness and equality without unjust discrimination, convenience and protection of property of Landlord, Tenant, other tenants and users of the Airport, their customers, and the general public (herein collectively referred to as the "Airport Governing Documents.") Tenant hereby agrees to comply fully at all times with these Airport Governing Documents.

As of the Effective Date of this Lease such Airport Governing Documents include, without limitation:

1. Addison Airport Minimum Standards and Requirements for Commercial Aeronautical Service Providers vr. 2004 (also commonly referred to as the "Minimum Standards" or "Airport Minimum Standards"); and

2. *Addison Airport Rules and* Regulations vr. 2010 (also commonly referred to as the "Rules and Regulations" or "Airport Rules and Regulations"), which shall govern Tenant's use of the Demised Premises and all Common Facilities of the Airport; and

3. *Addison Airport Rates and Charges* – a schedule of the current rates, fees and charges assessed by the Airport for various services and facilities, which are generally

approved in connection with the Airport's annual budgetary process but may be amended from time to time as deemed reasonable and appropriate.

Landlord has also adopted the National Business Aviation Association (NBAA) Noise Abatement Program (https://nbaa.org/aircraft-operations/environment/noise-abatement-program/) revised in 2015. Unless Landlord adopts a noise abatement program of its own, Tenant and Tenant's subtenants and their aeronautical guest and invitees are required to comply with NBAA's recommended noise abatement procedures, which are suitable for any aircraft type and airport operating environment.

Section 19. Signs and Equiptment.

After first securing Landlord's approval, 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, Exculpation and Release.

A. **Exculpation.**

Landlord and the elected officials, the officers, employees, representatives, agents, and volunteers of Landlord, individually or collectively, in both their official and private capacities, (each a "Landlord Person" and collectively the "Landlord Persons"), and Airport Manager and Airport Manager's owner's, officers, employees, representatives, and agents, in both their official and private capacities, (each a "Manager Person" and collectively the "Manager Persons"), shall not be liable to Tenant or to any of Tenant's owners, directors, officers, shareholders, partners, managers, employees, agents, consultants, servants, customers, invitees, patrons, subtenants, licensees, concessionaires, contractors, subcontractors, or any other person or entity for whom Tenant is legally responsible, and their respective owners,

directors, officers, shareholders, partners, managers, employees, agents, consultants, servants, customers, invitees, patrons, subtenants, licensees, concessionaires, contractors, and subcontractors, (each a "Tenant Person" and collectively "Tenant Persons"), 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 Demised Premises or any adjacent area owned by Landlord caused by or resulting from any act or omission of Tenant or any Tenant Persons, or arising out of the use or occupation of the Demised Premises by Tenant or any Tenant Persons and/or the conduct of Tenant's business thereon, or arising out of any breach or default by Tenant in the performance of Tenant's obligations hereunder.

B. Tenant's Indemnity Obligation.

Tenant shall DEFEND (with counsel reasonably acceptable to Landlord), INDEMNIFY, AND HOLD HARMLESS Landlord and all other Landlord Persons and Airport Manager and all Manager Persons (Landlord and all other Landlord Persons, and Airport Manager and all other Manager Persons, being collectively the "Indemnified Persons") from and against any and all claims, actions, proceedings, causes of action, demands, losses, harm, damages, penalties, fines, liability, 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 of the Indemnified Persons, whether directly or indirectly (collectively for purposes of this Section, "Damages"), that result from, relate to, are based upon, or arise out of, in whole or in part, (I) any condition of the Demised Premises caused in whole or in part by Tenant or by any Tenant Persons; (II) any act or omission of Tenant or any Tenant Persons under, in connection with, or in the performance of, this Lease; (III) any representations or warranties by Tenant under this Lease; (IV) any personal injuries (including but not limited to death) to any Tenant Persons and to any third persons or parties arising out of or in connection with Tenant's use and occupancy of the Demised Premises under this Lease; and/or (V) 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 Demised Premises, regardless of the source, or by dampness or by fire, explosion, falling plaster or ceiling. THIS 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 EXCLUDING THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT) OF THE INDEMNIFIED PERSONS (OR ANY OF THEM), OR CONDUCT BY THE INDEMNIFIED PERSONS (OR ANY OF THEM) THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND. HOWEVER, TO THE EXTENT GROSS NEGLIGENCE AND/OR WILLFUL CONDUCT ARE ALLEGED SIMULTANEOUSLY WITH CLAIMS REQUIRING DEFENSE AND INDEMNITY HEREIN, TENANT SHALL DEFEND ALL CLAIMS ALLEGED AGAINST THE INDEMNIFIED PERSONS. 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 Person's or Indemnified Persons' proportionate share of the negligence or conduct that would give rise to strict liability of any kind, that caused the loss. Likewise, Tenant's liability for Indemnified Person's or Indemnified Persons' defense costs and attorneys' fees shall be limited to a

portion of the defense costs and attorneys' fees equal to the Indemnified Person's or Indemnified Persons' proportionate share of the negligence or conduct that would give rise to strict liability of any kind, that caused the loss.

Tenant shall promptly advise Landlord and Airport Manager in writing of any claim or demand against any Indemnified Persons, Tenant, or any Tenant Persons 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 Indemnified Persons shall have the right, at the Indemnified Person's or Indemnified Persons' option and own expense, to participate in such defense without relieving Tenant of any of its obligations hereunder.

C. **Release.**

Tenant hereby RELEASES Landlord and all other Landlord Persons, and Airport Manager and all other Manager Persons, (i) for 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 (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, INCLUDING, WITHOUT LIMITATION, ANY AND ALL CLAIMS WHICH ARISE FROM, OR ARE ALLEGED OR FOUND TO HAVE BEEN CAUSED BY, IN WHOLE OR IN PART, THE NEGLIGENCE [BUT EXCLUDING GROSS NEGLIGENCE OR WILLFUL MISCONDUCT] OF ANY OF THE INDEMNIFIED PERSONS, OR CONDUCT BY ANY OF THE INDEMNIFIED PERSONS THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.

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, 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.

C. TENANT'S FURTHER INDEMNITY OBLIGATION. TENANT SHALL INDEMNIFY, DEFEND, SAVE AND HOLD HARMLESS LANDLORD AND ALL OTHER LANDLORD PERSONS, AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS, FROM AND AGAINST, AND REIMBURSE LANDLORD AND ALL OTHER LANDLORD 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 AUTHORITY

UNDER THE CLEANUP LAWS OR ANY OTHER ENVIRONMENTAL LAW, RULE, STANDARD, REGULATION, OR POLICY. 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 LANDLORD PERSON, AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON, OR BY ANY ACT OR OMISSION OF LANDLORD, ANY OTHER LANDLORD PERSON, AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON THAT MAY GIVE RISE TO STRICT LIABILITY OF ANY KIND. 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 LANDLORD, AND ANY OTHER LANDLORD PERSON, AND AIRPORT MANAGER, AND ANY OTHER MANAGER PERSON. 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 PERSON'S OR INDEMNIFIED PERSONS' PROPORTIONATE SHARE OF THE NEGLIGENCE, OR CONDUCT THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, THAT CAUSED THE LOSS. LIKEWISE, TENANT'S LIABILITY FOR INDEMNIFIED PERSON'S OR INDEMNIFIED PERSONS' DEFENSE COSTS AND ATTORNEYS' FEES SHALL BE REDUCED BY A PORTION OF THE DEFENSE COSTS AND ATTORNEYS' FEES EQUAL TO THE INDEMNIFIED PERSON'S OR INDEMNIFIED PERSONS' PROPORTIONATE SHARE OF THE 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.

D. 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.

E. 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.

F. SURVIVAL: THE PARTIES OBLIGATIONS AND LIABILITIES OF THE PARTIES PURSUANT TO THE TERMS OF SECTIONS 6, 21 AND 22 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" by Tenant under this Lease:

A. Failure of Tenant to pay any installment of Rent or any other sum payable to Landlord hereunder, or 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 to make under this Lease, on the date that same is due and such failure shall continue for a period of ten (10) days after the date on which such payment is to be made.

B. 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. 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 (not to exceed an additional sixty [60] days) 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.

C. INTENTIONALLY DELETED.

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 of 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.

A. 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.

1. 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.

2. 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.

3. Recover unpaid Rent and any Damages (as defined below).

4. 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.

5. Remove and store (at Tenant's sole cost) any property (other than aircraft) on the Demised Premises.

6. Sue for eviction, specific enforcement, equitable relief, Rent, damages, or any other available remedy.

7. Cure Tenant's default, and if Landlord does so, Tenant must reimburse Landlord within thirty (30) days after Landlord delivers an invoice for any actual, out-of-pocket expenses Landlord incurred effecting compliance with Tenant's obligations.

8. Withhold or suspend any payment that this Lease would otherwise require Landlord to make.

9. Exercise all other remedies available to Landlord at law or in equity (including, without limitation, injunctive and other extraordinary remedies).

B. 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 (A) recovering possession of the Demised Premises, (B) removing and storing Tenant's and any other occupant's property, (C) 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, (D) collecting any money owed by Tenant or a substitute tenant, (E) repairing any damage caused by any Tenant Persons, (F) performing any obligation of Tenant under the Lease, and (G) 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.

C. 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 Manager's officials, officers, employees, or agents or Landlord's repossession, reentry, or reletting of the Demised Premises).

D. 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.

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. In the event that Landlord fails to cure such default within said thirty (30) day period, or within said additional reasonable period of time, 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. Seek, through judicial action, a declaratory judgment action, and limited equitable remedies of injunction and specific performance, as well as actual damages directly resulting from such default (but subject to the provisions of subsection B. of Section 26, below).

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).

B. Landlord and Tenant agree to the following criteria in connection with Landlord's obligation (if any) to mitigate damages as described above:

1. 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 into 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 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.**

C. 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, any buildings constructed on the Demised Premises by or for Tenant, shall be owned by Tenant during the term of this Agreement. The term "improvements" shall include, without limitation, the Building Improvements) as defined in Section 6.

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; Lien for Rent; Waiver of Landlord Liens.

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.

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 Certificate.

A. 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 Landlord a statement in writing certifying that:

1. 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).

2. The dates to which Rent and other charges have been paid.

3. 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.

4. 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.

B. Landlord agrees that from time to time, upon not less than ten (10) days' prior written request by Tenant, Landlord will deliver to Tenant a statement in writing certifying that:

1. This Lease is unmodified and in full force and effect (or if there have been modifications, that the Lease as modified is in full force and effect and stating the modifications).

2. The dates to which Rent and other charges have been paid.

3. Tenant 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.

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, on behalf of Tenant and on behalf of all directors, officers, shareholders, partners, principals, employees, agents, contractors, subtenants, licensees or concessionaires of Tenant and on behalf of any other party claiming any right to use the Demised Premises by, through or under Tenant, hereby: (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 Manager, and Landlord Persons and Manager Persons, from all liability 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 from the conduct of Special Events and/or activities relating or pertaining thereto, including, without limitation, death, injury to person or property or loss of business or revenue (the "Released Claims"); (iii) **covenants not to sue** the Landlord or 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; and (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.

Section 41. Independent Contractor.

It is understood and agreed that in leasing, using, occupying, and operating the Demised Premises, Tenant is acting as an independent contractor and is not acting as agent, partner, joint venturer 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, quarantine or mandatory closure order enacted in response to a pandemic or other public health crises, civil riot, flood, or any other cause not within the control of Landlord, the period for performance of such term, condition or covenant shall be extended for a period equal to the period Landlord 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, quarantine or mandatory closure order enacted in response to a pandemic or other public health crises, civil riot, flood, 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. The terms "day", "week,", "month", "year" or any plural form of said terms shall be construed to mean on a calendar basis unless expressly stated otherwise. For the purposes herein, the term "business day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of Texas are authorized or required by law or other governmental action to close.

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; or (c) on the next business day following 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 for giving of any such notice or document are as follows (or at such other address as either Party might specify by written notice):

TO LANDLORD:

Town of Addison, Texas
c/o City Manager
5300 Belt Line Road
Dallas, Texas 75254
Email: wpierson@addisontx.gov

and

Town of Addison, Texas
c/o Addison Airport Manager
4545 Jimmy Doolittle Drive, Suite 200
Addison, Texas 75001
Attn: Real Estate Manager
Email: bill.dyer@addisonairport.net

TO TENANT:

AQRD Hangar Management LLC
c/o Manager – V. Raj Narayanan
4600 Claire Chennault Drive
Addison, Texas 75001
Email: Raj@AerospaceQrd.com

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, 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, Venue, Survivability of Rights, and Remedies.

This Lease and all of 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 1-6**, **Lease Addendum #1** and **Lease Addendum #2** attached hereto, embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements 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:**
AQRD Hangar Management LLC a Limited Liability Company By: _____ V. Raj Narayanan, Manager	**Town of Addison, Texas** A Texas home-rule municipality By: _____ Wesley S. Pierson, City Manager

June 28, 2022
RESOLUTION NO. R22-042

ACKNOWLEDGEMENTS

STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared V. Raj Narayanan, Manager of AQRD Hangar Management LLC, a Texas limited liability company, 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 the 20th day of June, 2022.

Melissa Newman
My Commission Expires
03/02/2024
ID No. 7460509

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 29th day of JUNE, 2022.

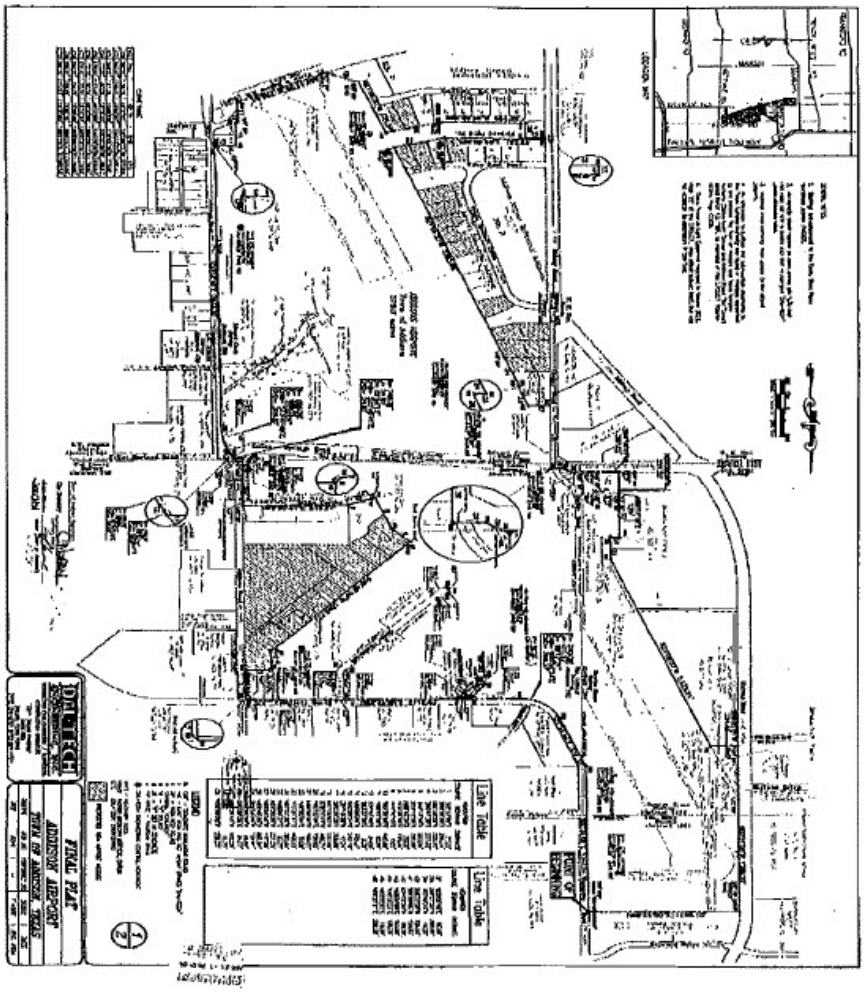
Irma G. Parker
Notary Public, State of Texas
Comm. Expires 08-07-2022
Notary ID 4770064

Notary Public, State of Texas

IRMA G. PARKER
Notary Public, State of Texas
Comm. Expires 08-07-2022
Notary ID 4770064

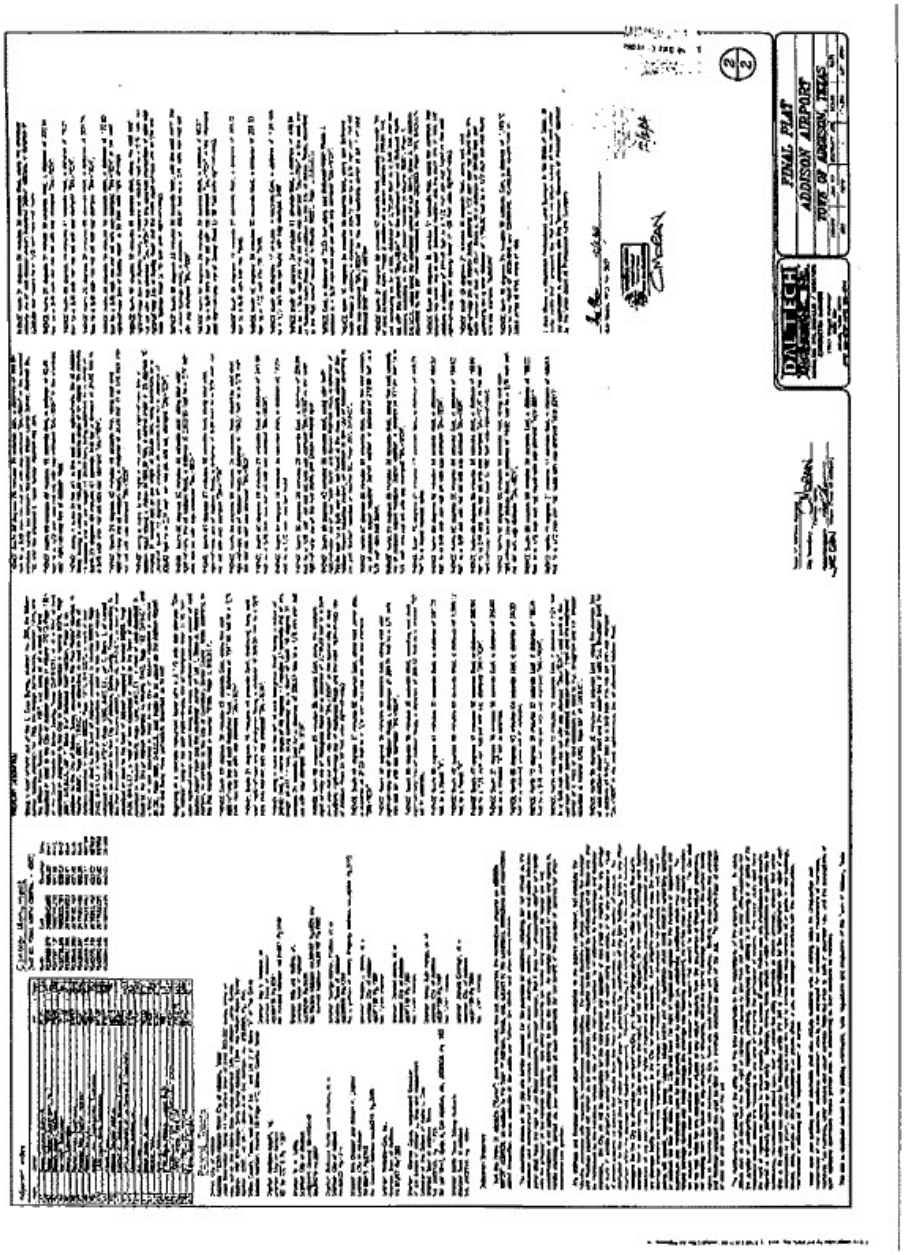
Exhibit 1
Legal Description of Addison Airport

The property platted pursuant to the Final Plat, Addison Airport, recorded as Instrument #200503420292 in Dallas County, Texas Official Public Records as depicted on the following two pages.



Page 41

0630-3204



Page 42

0630-3204

Exhibit 2

Property Survey of Demised Premises

4582 Claire Chennault Drive

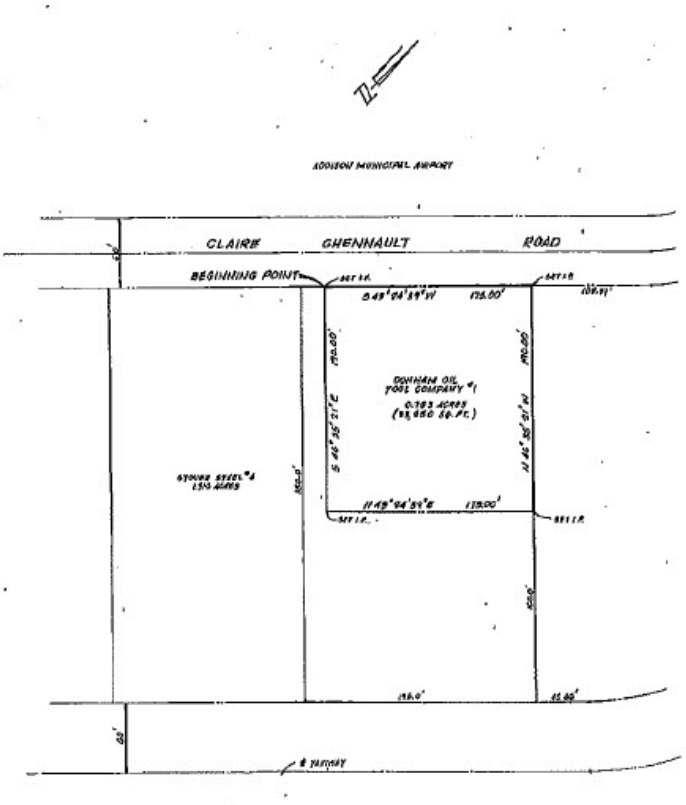


Exhibit 2 (continued)

Property Survey of Demised Premises

4584 Claire Chennault Drive

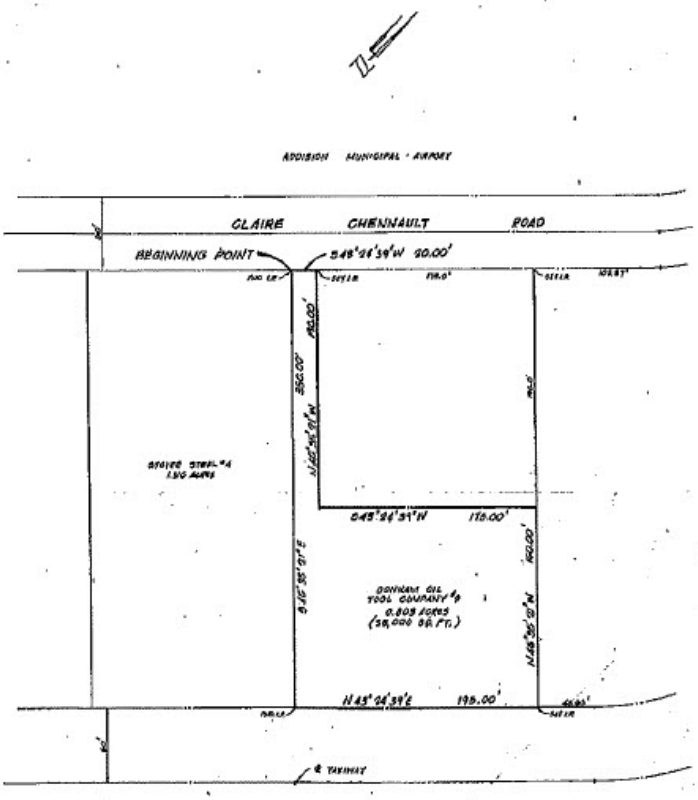
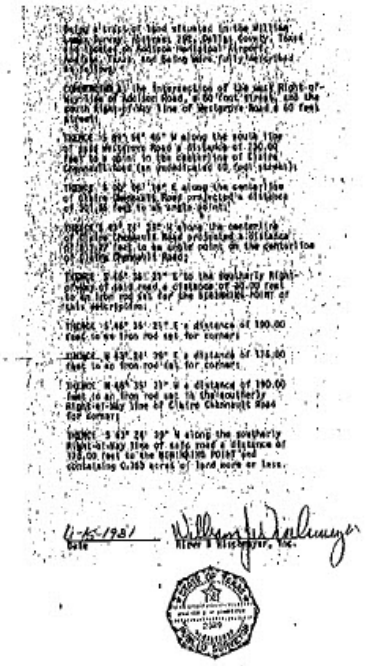


Exhibit 3

Legal Descriptions of Demised Premises

4582 Claire Chennault Drive



4584 Claire Chennault Drive

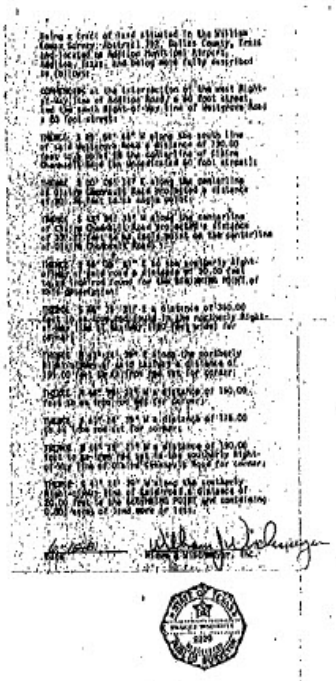


Exhibit 4

Description of New Building Improvements

To be further developed by AQRD Hangar Management LLC and Landlord Prior to Conclusion of Due Diligence Period

This Exhibit 4 hereby includes by reference the complete set of Construction Documents approved by the Town of Addison for the Building Improvements including but not limited to all architectural, civil, mechanical, and electrical and landscape drawings and specifications, together with all change orders and as-built modifications, warranties and guaranties procured by Tenant.

Exhibit 5

Form of Memorandum of Lease

AFTER RECORDING RETURN TO:
Addison Airport Management
c/o Real Estate Manager
4545 Jimmy Doolittle Road, Suite 200
Addison, Texas 75001

MEMORANDUM OF LEASE

This Memorandum of Lease is dated as of _____202_, and executed by and between the Town of Addison, Texas ("Landlord") and AQRD Hangar Management LLC, a Texas limited liability company ("Tenant").

WHEREAS, in consideration of the premises and of the mutual covenants and agreements set forth in that certain Ground Lease Agreement dated as of _____, 2022 (the "Ground Lease"), by and between Landlord and Tenant, Landlord has leased to Tenant, and Tenant has leased from Landlord, a certain parcel of land located at and within Addison Airport ("Airport") that is more particularly described in Exhibit A attached hereto and made a part hereof, for a term of sixty (60) months following the Commencement Date (as defined in the Ground Lease), subject to all of the terms, provisions and conditions of the Ground Lease.

WHEREAS, Pursuant to Section 2.C.2 of the Ground Lease, provided Tenant (i) is not then in default beyond the expiration of applicable notice and cure periods under this Lease or any other agreement with Landlord, (ii) achieves Final Completion of the New Building Improvements, and (iii) exceeds the stipulated Construction Value for the New Building Improvements (as such terms are defined in Lease Addendum #2 of the Ground Lease) on or before the expiration of the Base Term above, the Base Term shall be extended so that this Lease will end June 30th, 2057 ("Extended Base Term").

WHEREAS, Tenant has completed, to Landlord's satisfaction, each of the above requirements necessary to qualify for the Extended Base Term, thus extending the expiration of the Ground Lease to June 30th, 2057.

Now let it be known, the said Ground Lease is amended by that First Amendment to Ground Lease, entered and made effective _____, 202_, which, among other things, extends the Term so the Ground Lease shall now expire June 30, 2057 unless otherwise earlier terminated.

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.

Upon the expiration or earlier termination of the Ground Lease, Landlord and Tenant agree that they shall execute and record a termination of this Memorandum of Lease.

IN WITNESS WHEREOF, the undersigned parties execute this Memorandum of Lease this _____ day of _____, 202___.

TENANT:	**LANDLORD:**
AQRD Hangar Management LLC a Limited Liability Company By: _____ V. Raj Narayanan, Manager	**Town of Addison, Texas** A Texas home-rule municipality By: _____ _____, City Manager

ACKNOWLEDGEMENT

STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared V. Raj Narayanan, Manager of AQRD Hangar Management LLC, a Texas limited liability company, 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 20th day of June, 2022.

Melissa Newman
My Commission Expires
03/02/2024
ID No. 7450509

Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared, _____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 _____, 202__.

Irma G. Parker
Notary Public, State of Texas
Comm. Expires 08-07-2022
Notary ID 4770064

_____
Notary Public, State of Texas

EXHIBIT A

PROPERTY SURVEY AND LEGAL DESCRIPTION
OF DEMISED PREMISES

Exhibit 6

Form of Irrevocable Standby Letter of Credit

[Lender Letterhead]

_____, 202_

Town of Addison, Texas
c/o City Manager
5300 Belt Line Road
Dallas, Texas 75254
Email: wpierson@addisontx.gov

Dear Mr. Pierson:

At the request of _____[TENANT]_____, we have established in favor of the Town of Addison the enclosed Irrevocable Standby Letter of Credit #_____, in an amount not to exceed _____ and ___/100 Dollars ($_____.00).

Please examine this instrument carefully. If you are unable to comply with the terms and conditions, please communicate with the applicant to arrange for an amendment.

All drawings under this credit must be accompanied by the original Letter of Credit for endorsement.

If we can be of further assistance, please do not hesitate to call us at _____.

Sincerely,

_____[LENDER]_____

By:_____
Name:_____
Title:_____

Enclosure

cc: _____[TENANT]_____
_____
_____
Attention:_____

Page 51 0630-3204

[Lender Letterhead]

IRREVOCABLE LETTER OF CREDIT #_____

Date: _____, 202_

Beneficiary:

Town of Addison, Texas
c/o City Manager
5300 Belt Line Road
Dallas, Texas 75254
Email: wpierson@addisontx.gov

Applicant:

_____[TENANT]_____
_____
_____
Attention:_____

Gentlemen:

We hereby issue our Irrevocable Standby Letter of Credit #_____ in favor of Beneficiary. This Letter of Credit is effective up to the aggregate amount of _____ and No/100 Dollars ($_____.00) available by draft drawn on Issuer at sight, marked "Drawn under Irrevocable Standby Letter of Credit #_____" accompanied by the following:

1. Beneficiary's written statement purportedly signed by its authorized representative reading as follows: "The undersigned is authorized to make the following statement on behalf of Town of Addison, Texas ("Beneficiary"). Beneficiary hereby certifies that an event of default has occurred under that certain Lease Agreement dated _____, 20__, between Beneficiary and Applicant (the "Lease") with respect to the construction of the Building Improvements, as defined therein, and that such default is ongoing. The amount of the draft presented represents the amount known by me to be required to complete construction of the Building Improvements under the Lease."

2. This original Letter of Credit and any amendments thereto (if any). In the event of a partial drawing the original Letter of Credit will be endorsed and returned to you, unless the Letter of Credit has expired or the amount available is reduced to zero.

Special Conditions:

1. Partial drawings are permitted under this Letter of Credit.

2. Other than Beneficiary's statement required above, the Issuer shall require no further substantiation of the occurrence of such an event of default, consent of Applicant, or proof of the necessity of the draw.

3. This Letter of Credit sets forth in full the terms of our undertaking and such undertaking shall not in any way by modified, amended or amplified by reference to any document, instrument or agreement referred to herein or to which this Letter of Credit relates, and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement.

4. Except as expressly stated herein, this undertaking is not subject to any agreement, condition or qualification.

We hereby engage with you that documents drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented for payment to [LENDER], at _____, Attention: _____, prior to 5:00 pm on or before _____, 202___.

This Letter of Credit is subject to and governed by the Uniform Customs and Practice for Documentary credits of the International Chamber of Commerce (Publication 600, 2007 Revision).

_____[LENDER]_____

By:_____
Name:_____
Title:_____

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 Lease[1] 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

[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.

any new construction and maintenance and 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 E2018-15[2] (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 minimus* 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).

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[2] ASTM Designation E2018-15; November 2015ASTM International, 100 Barr Harbor Drive, PO Box C700, West Conshohocken PA 19428-2929, United States

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 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 (10^{th}) anniversary but no later than the twelfth (12^{th}) 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 Demised 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

A schedule of all service contracts, agreements and other documents not expressly referenced herein relating to the Demised Premises.

Lease Addendum #2

Construction of Building Improvements

Note: Capitalized terms used herein are the same as defined in the Lease or any Addendum other attached and made a part of the Lease unless otherwise expressly provided for. This Lease Addendum #2 is made a part of and hereby incorporated into the Lease by reference.

A. Building Improvements. For purposes herein, the term "Building Improvements" shall mean, without limitation the Existing Building Improvements, as defined in the Preamble of the Lease made on or to the Demised Premises as of the Effective Date, the New Building Improvements as defined in sub-section B below, and any Future Building or Other Improvements made to, constructed, installed, located or placed upon the Demised Premises throughout the Term, as amended or modified, as provided for sub-section C below. Except as provided for in the Lease or this Lease Addendum #2, Tenant may not construct, locate, install, place or erect any other improvements upon the Demised Premises without the prior written consent of Landlord.

B. New Building Improvements

1. As provided for in Section 2.C.2 of the Lease entitled *Extended Term Option*, Tenant has the option to construct or cause to be constructed on the Demised Premises, at Tenant's sole cost, expense and risk, certain building improvements more fully described in Exhibit 4 of the Lease, which is incorporated herein by reference (the "New Building Improvements"). Accordingly:

a. The New Building Improvements are to be constructed in accordance with plans and specifications prepared by a state licensed architect and/or engineer retained by Tenant (the "Design Plan"), which said Design Plan shall be submitted to Landlord for approval evidenced by the issuance of a building permit necessary to construct the New Building Improvements. 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. Landlord agrees its approval of the Design Plan shall not be unreasonably withheld, conditioned or delayed.

b. Tenant shall bear all cost and expense of the demolition and removal of any Existing Improvements on, or in the Demised Premises in accordance with the Design Plan.

c. The construction cost or value (separate and apart from the cost of design) of the New Building Improvements shall exceed One Million One-Hundred Tousand Dollars ($1,100,000.00) (the "Construction Value"), and Tenant shall submit to

Landlord upon request all commercially reasonable evidence of such Construction Value in a form acceptable to Landlord (the "Construction Value Evidence"). For purposes hereof, reasonable evidence of Construction Value would be satisfied by the American Institute of Architects (AIA) G702 and G703 Application for Payment certified by the Tenant, owner, architect or engineer and, Tenant's general contractor to be true and correct to their best knowledge or some form of documentation similar thereto acceptable to Landlord.

d. Once construction of the New Building Improvements commence, Tenant shall complete construction of the New Building Improvements, with reasonable diligence, without material deviation from the Design Plan, and any material deviation from the Design Plan shall be subject to the advance review and approval of Landlord.

e. "Substantial Completion of the New Building Improvements" or "Substantial Completion" shall be (unless provided for elsewhere in this Lease) 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. If a certificate of temporary or final occupancy is not required under the local building codes, Tenant shall deliver a notarized affidavit to the Landlord that all New Building Improvements are completed per the approved Designed Plan.

f. "Final Completion" of the construction of the New Building Improvements shall be deemed to occur upon (i) the issuance by Tenant's architect who designed the New Building Improvements, if any, of such documentation as may be necessary to establish the final completion (closeout) of the construction of the New Building Improvements, (ii) delivery by Tenant to Landlord comprehensive As-Built drawings and documentation reviewed by Tenant's architect reflecting all approved changes and modifications to the originally approved Design Plan, and (iii) Tenant's Construction Cost Evidence defined in subsection 1.c above.

C. Future Building and Other Improvement Construction: To construct, locate, install, place or otherwise erect any other improvements upon the Demised Premises other than the Existing Building Improvements and New Building Improvements provided for in the Lease or herein, shall be regarded "Future Building and Other Improvements" which shall be performed, if any, substantially in the same manner, standard and regard as provided in this Lease Addendum #2, including without limitation as required for the New Building Improvements and requirements for Construction Insurance, Performance and Performance Bond or Irrevocable, Stand-by Letter of Credit as set forth in subsection E, below.

D. General Terms and Conditions Governing New Building Improvements and Future Building and Other Improvements:

1. Any architect or engineer shall be duly licensed to practice architecture or engineering, respectively, in the State of Texas. Such construction shall be performed in a first-class, workmanlike manner 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 IN ACCORDANCE WITH SECTION 21.B. entitled *TENANT'S INDEMNITY OBLIGATION*. It is expressly understood and agreed that Tenant's construction of any building improvements shall include the finish-out of such building and improvements 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.

3. 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.

4. Tenant agrees that any construction or modification of the Building Improvements or any other improvements (authorized to be constructed in writing by Landlord) on the Demised Premises shall comply with all standards, codes, and rules adopted by Landlord or 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, ("ADA") 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.

5. With respect to Title III of the Americans With Disabilities Act of 1990, Tenant acknowledges and agrees it shall remain fully responsible and obligated over the Term to construct, alter and maintain the Building Improvements in accordance with the prevailing ADA Act. Furthermore, Tenant shall ensure no person or groups of persons shall, on the grounds of race, color, sex, religion, national origin, age, disability, retaliation or genetic information, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the ADA Act. Tenant shall give Landlord written notice within ten (10) days of Tenant having knowledge or written notice of any ADA Act violation

or claim of violation from any governmental entity with authority on such matters or from any third party.

6. Tenant will properly and timely submit to the FAA the TxDOT, and any other governmental authority, entity or agency having jurisdiction regarding the 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 the Airport.

7. 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, during normal business hours, 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.

E. Construction Insurance, Performance and Performance Bond or Irrevocable, Stand-by Letter of Credit:

In addition to the applicable insurance requirements set forth in Section 13 of the Lease:

1. During any period of construction, Tenant or Tenant's General Contractor shall obtain and keep in full force and effect 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 or deductibles imposed by carrier due to state market conditions.

2. In connection with the design and construction of any improvements on the Demised Premises, architects, engineers, and constructions managers, including design/build contractors used by Tenant, shall carry professional liability insurance at minimum limits of $250,000.00. 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 Ground Lease (or earlier) must be maintained.

3. Tenant shall obtain and keep in full force and effect at its sole cost and expense 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 pay or cause to be paid the premiums for such bonds. Bonds shall be issued by a surety company satisfactory to Landlord, 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 and satisfactory to Landlord. 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. Alternatively, and at Tenant's election, Tenant shall cause to be issued in favor of Landlord, at Tenant's sole cost and expense, and kept in full force and effect at all times during any period of construction, an irrevocable, stand-by letter of credit to secure 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 amount of one hundred percent (100%) of the construction costs (the "Letter of Credit"), such Letter of Credit to be drawn upon by site draft conditioned only upon the certification of the Landlord that an event of default has occurred under this Lease with respect to the construction of the Building Improvements and Tenant has not cured the event of default after being given notice and a reasonable opportunity to cure as provided in this Lease. The form of such Letter of Credit is attached hereto and incorporated herein as Exhibit 6. Tenant shall cause the original executed Letter of Credit to be delivered to Landlord not later than the Construction Commencement Date. Upon written approval by Landlord on not less than ten (10) business days written notice to Landlord from Tenant, Tenant shall have the right to reduce the amount of the Letter of Credit on a calendar quarterly basis by an amount equal to the construction costs incurred and paid by Tenant during the immediately preceding calendar quarter as demonstrated by the Construction Value Evidence submitted to Landlord. 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 or Letter of Credit in the same manner as articulated in this subparagraph.

F. Failure of the Parties to observe and comply with the requirements of this Lease Addendum #2, subject to notice and cure as provided in Section 23 of the Lease, shall be an Event of Default.

EXHIBIT “B”

EXHIBIT “2” – PROPERTY SURVEY OF DEMISED PREMISES

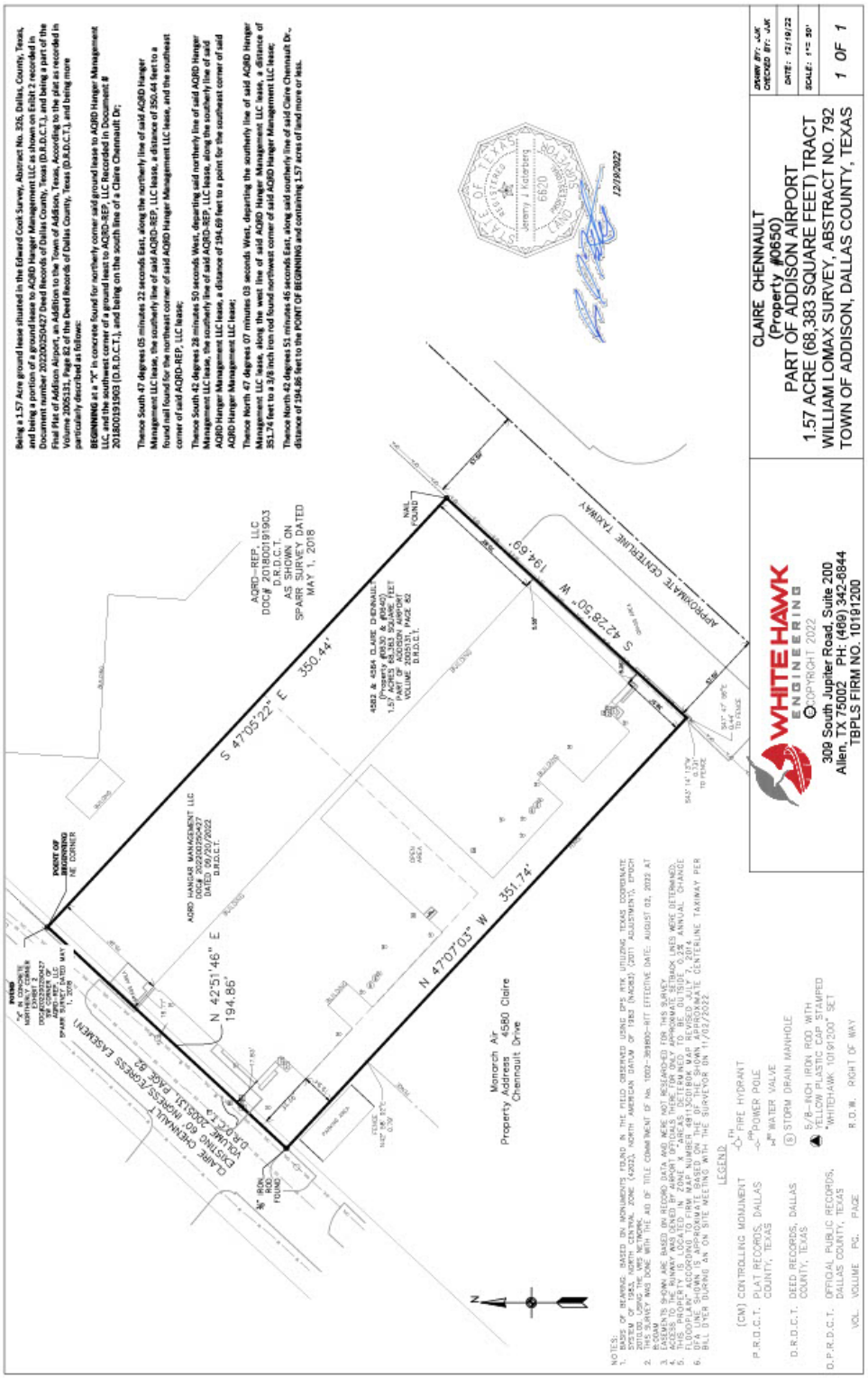


EXHIBIT "C"

EXHIBIT "3" – LEGAL DESCRIPTION OF DEMISED PREMISES

Being a 1.57 Acre ground lease situated in the Edward Cook Survey, Abstract No. 326, Dallas, County, Texas, and being a portion of a ground lease to AQRD Hanger Management LLC as shown on Exibit 2 recorded in Document number 202200250427 Deed Records of Dallas County, Texas (D.R.D.C.T.), and being a part of the Final Plat of Addison Airport, an Addition to the Town of Addison, Texas, According to the plat as recorded in Volume 2005131, Page 82 of the Deed Records of Dallas County, Texas (D.R.D.C.T.), and being more particularly described as follows:

BEGINNING at a "X" in concrete found for northerly corner said ground lease to AQRD Hanger Management LLC, and the southwest corner of a ground least to AQRD-REP, LLC Recorded in Document # 201800191903 (D.R.D.C.T.), and being on the south line of a Claire Chennault Dr;

Thence South 47 degrees 05 minutes 22 seconds East, along the northerly line of said AQRD Hanger Management LLC lease, the southerly line of said AQRD-REP, LLC lease, a distance of 350.44 feet to a found nail found for the northeast corner of said AQRD Hanger Management LLC lease, and the southeast corner of said AQRD-REP, LLC lease;

Thence South 42 degrees 28 minutes 50 seconds West, departing said northerly line of said AQRD Hanger Management LLC lease, the southerly line of said AQRD-REP, LLC lease, along the southerly line of said AQRD Hanger Management LLC lease, a distance of 194.69 feet to a point for the southeast corner of said AQRD Hanger Management LLC lease;

Thence North 47 degrees 07 minutes 03 seconds West, departing the southerly line of said AQRD Hanger Management LLC lease, along the west line of said AQRD Hanger Management LLC lease, a distance of 351.74 feet to a 3/8 inch iron rod found northwest corner of said AQRD Hanger Management LLC lease;

Thence North 42 degrees 51 minutes 46 seconds East, along said southerly line of said Claire Chennault Dr., distance of 194.86 feet to the POINT OF BEGINNING and containing 1.57 acres of land more or less.

Location of Ground Tenant AQRD Hangar Management, LLC



Ground Tenant AQRD Hangar Management, LLC is located at 4582 and 4584 Claire Chennault Drive at Addison Airport.



The new survey consolidates and describes 4582 and 4584 Claire Chennault Drive as one legal parcel for purposes of the Ground Lease. AQRD Headquarters is located to the east at 4600 Claire Chennault Drive (red line at bottom of view is the Airport Boundary Line).

Council Meeting 2023 **8.**

Meeting Date: 02/13/2023

Department: Airport
Pillars: Innovative in Entrepreneurship & Business
Milestones: Leverage the use of the Airport to maximize business growth and expansion

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AGENDA CAPTION:

Consider Action on a **Resolution Approving the First Amendment to Conventional Hangar Lease for Commercial Aviation Use with Jani-King International, Inc. for 4572 Claire Chennault Drive at Addison Airport and the Termination of the 4570 Claire Chennault Drive Conventional Hangar Lease for Commercial Aviation Use with Jani-King International, Inc. and Authorizing the City Manager to Execute the Agreements.**

BACKGROUND:

Jani-King International, Inc. ("Jani-King") is a longtime tenant and the operator of Cavanaugh Flight Museum ("Cavanaugh"), a 501c3 non-profit educational flight museum, at Addison Airport. Jani-King's ground leases for 4570 and 4572 Claire Chennault Dr. expired in 2021. The Town of Addison and Jani-King entered into two separate commercial lease agreements to allow Cavanaugh to continue its use and occupancy of these facilities. Jani-King's ground lease for 4574 Claire Chennault Dr. expired November 30, 2022, but was allowed to continue on a month-to-month basis in anticipation of the outcome of this proposal. Jani-King also subleases another ground leased property located at 4576 Claire Chennault Dr., which lease is due to expire in September 2023, at which time ownership of those building improvements will revert to the Town of Addison.

The proposed First Amendment to Conventional Hangar Lease for Commercial Aviation Use ("First Amendment") for 4572 Claire Chennault Dr. is intended to allow for the consolidation of all four properties (4570, 4572, 4574, and 4576 Claire Chennault Dr.) under the same agreement as each becomes available without further amendment or modification of the lease. The First Amendment further provides for its expiration date of June 30, 2024, at which time Jani-King and Cavanaugh agree to vacate and surrender all four properties pursuant to the terms of the agreement.

Prior to entering into the proposed First Amendment, the parties must first terminate the existing conventional hangar lease affecting 4570 Claire Chennault Dr. The proposed Conventional Hangar Lease Early Termination Agreement is included herein for the Town's consideration and consent. Should the Town elect

not to approve the proposed First Amendment, the early termination agreement would be null and void.

The city attorney has reviewed the proposed First Amendment to Conventional Hangar Lease for Commercial Aviation Use and the Conventional Hangar Lease Early Termination Agreement and finds both acceptable for the Town's purposes. Both agreements have been executed by Jani-King as evidenced in Exhibit "A" and Exhibit "B" attached to the Resolution.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution with Exhibit

Subject Location

RESOLUTION NO. 23-

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, AUTHORIZING THE FIRST AMENDMENT TO CONVENTIONAL HANGAR LEASE FOR COMMERCIAL AVIATION USE WITH JANI-KING INTERNATIONAL, INC. FOR 4572 CLAIRE CHENNAULT DRIVE AND THE TERMINATION OF THE 4570 CLAIRE CHENNAULT DRIVE CONVENTIONAL HANGAR LEASE FOR COMMERCIAL AVIATION USE WITH JANI-KING INTERNATIONAL, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENTS AND PROVIDE AN EFFECTIVE DATE

WHEREAS, Jani-King International, Inc., a Texas corporation, desires to amend the Conventional Hangar Lease for Commercial Aviation Use for the city-owned facility at 4572 Claire Chennault Drive at Addison Airport; and

WHEREAS, Jani-King International, Inc. desires to terminate the Conventional Hangar Lease for Commercial Aviation Use for the city-owned facility at 4570 Claire Chennault Drive at Addison Airport; and

WHEREAS, Jani-King International, Inc. is requesting the Town of Addison, Texas, approve the First Amendment to Conventional Hangar Lease For Commercial Aviation Use for the city-owned facility at 4572 Claire Chennault Lease and the Conventional Hangar Lease Early Termination Agreement for the city-owned facility at 4570 Claire Chennault Drive.

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

SECTION 1. The proposed Jani-King International, Inc. First Amendment to Conventional Hangar Lease for Commercial Aviation Use for the city-owned facility at 4572 Claire Chennault Drive, a copy of which is attached hereto as **Exhibit A,** is hereby approved and the City Manager is authorized to execute this agreement.

SECTION 2. The proposed Jani-King International, Inc. Conventional Hangar Lease Early Termination Agreement for the city-owned facility at 4570 Claire Chennault Drive, a copy of which is attached hereto as **Exhibit B,** is hereby approved and the City Manager is authorized to execute this 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, this the ***13th*** day of ***FEBRUARY 2023.***

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma Parker, City Secretary

Resolution Exhibit A

TOWN OF ADDISON, TEXAS
ADDISON AIRPORT

STATE OF TEXAS §
§ **FIRST AMENDMENT TO CONVENTIONAL HANGAR LEASE FOR COMMERCIAL AVIATION USE**
COUNTY OF DALLAS §

This First Amendment to Conventional Hangar Lease For Commercial Aviation Use ("First Amendment") is made and entered this _____ day of _____, 2023 (the "Effective Date"), by and between Landlord and Tenant. Landlord and the Tenant are as follows:

Landlord: Town of Addison, Texas ("City")
c/o Airport Manager
4545 Jimmy Doolittle Drive, Suite 200
Addison, Texas 75001
Attn: Asst. Airport Director – Real Estate

and

Tenant: Jani-King International, Inc. ("Jani-King")
4572 Claire Chennault Dive
Addison, TX 75001
Attn: Perry White, Director of Special Projects

WITNESSETH:

WHEREAS, Landlord and Tenant entered into that Conventional Hangar Lease ("4572 Claire Chennault Lease") effective September 16, 2021, for the period set forth therein, under which Landlord leases to Tenant and Tenant leases from Landlord the Premises situated at 4572 Claire Chennault Drive (U5), Addison Airport, within the Town of Addison, Texas, as described in Exhibit "A" and Exhibit "B" of the Lease; and

WHEREAS, Landlord and Tenant entered into that Conventional Hangar Lease ("4570 Claire Chennault Lease") effective September 16, 2021, for the period set forth therein, under which Landlord leases to Tenant and Tenant leases from Landlord the Premises situated at 4570 Claire Chennault Drive (U3), Addison Airport, within the Town of Addison, Texas, as described in Exhibit "A" and Exhibit "B" of the Lease ("the Premises"); and

WHEREAS, Landlord and Tenant hereby agree to early terminate the 4570 Claire Chennault Lease by way of separate agreement to be made effective the same date as of the Commencement Date of this First Amendment so the 4570 Claire Chennault property be merged with and made part of the 4572 Claire Chennault Lease Premises subject to the 4572 Claire Chennault Lease as herein amended and modified; and

WHEREAS, Jani-King, International, Inc. owns the leasehold interests located at 4574 Claire Chennault Drive (U9), Addison Airport, within the Town of Addison, Texas ("Jani-King Ground Lease"), as described in Exhibit "A1," which said ground lease expired November 30, 2022, save and except for Jani-King's holdover and continued occupancy of the leasehold premises pursuant to Section 31 of the Jani-King Ground Lease; and

WHEREAS, following the Effective Date of this First Amendment, Landlord shall give Jani-King thirty (30) day written notice that its holdover of the Jani-King Ground Lease shall terminate. Immediately upon said termination, by way of this First Amendment and without interruption, the City-owned 4574 Claire Chennault Drive land and building improvements shall merge into and become part of the Lease Premises of the 4572 Claire Chennault Lease as herein amended and modified, thereby allowing Jani-King to continue its possession and occupancy of the 4574 Claire Chennault Drive property, however, at that time subject to the 4572 Claire Chennault Lease, as herein amended and modified.

WHEREAS, Jani-King, International Inc. is a sub-tenant of Dallas Skies, Inc., the ground lease tenant owning the leasehold interests and building improvements located at 4576 Claire Chennault Drive (U7) at Addison Airport within the Town of Addison. The ground lease commenced September 30, 1983, and is set to expire

September 29, 2023 ("Dallas Skies Ground Lease") at which time the City will automatically take ownership and title of all the building improvements constructed thereon, which shall merge in the City's fee-interest with the land; and

WHEREAS, provided Dallas Skies, Inc. is not then in default, beginning October 1, 2023 (or at such time when Dallas Skies, Inc. surrenders its leasehold interests to the City and the City takes legal ownership of the 4576 Claire Chennault building improvements, as described in Exhibit "A2"), the 4576 Claire Chennault property shall automatically merge and be incorporated into the Premises subject to the 4572 Claire Chennault Lease as herein modified and amended; and

WHEREAS, Landlord and Tenant desire to amend the 4572 Claire Chennault Lease, subject to the terms and conditions set forth hereinbelow.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, in consideration of the terms, covenants, and conditions set forth in the 4572 Claire Chennault Lease and in this First Amendment, the sum of Ten Dollars and No/100 ($10.00), and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Recitals.** All the above and foregoing recitals and premises are incorporated herein and made a part of this First Amendment for all purposes.

2. **Commencement Date of this Agreement:** the terms and conditions of this Agreement shall commence and take full force and effect the first day of the calendar month following the Effective Date of this Agreement.

3. **Amendment.** Landlord and Tenant do hereby agree to amend and modify the 4572 Claire Chennault Lease pursuant to the following terms and conditions:

A. Premises:

1. Upon the Effective Date of this First Amendment the Premises subject to this Lease shall consists of the two City-owned properties commonly known as 4570 and 4572 Claire Chennault Drive as more fully described in Exhibit "A" attached hereto and incorporated herein by reference.

2. Upon no less than thirty (30) days advance written notice ("First Premises Expansion Notice") from Landlord to Tenant, Landlord shall deliver to Tenant the City-owned 4574 Claire Chennault land and facilities, in their "as-is," "where-is" condition, and Tenant hereby agrees to accept the City-owned 4574 Claire Chennault Drive in said manner pursuant to Section 6 of the Lease (the "First Expansion Property"), which property is more fully described in Exhibit "A1" attached hereto and incorporated herein by reference; thereby said property shall become merged with the Premises in its entirety (as described in Exhibit "A" and "A1" collectively) and made subject to the Lease, as amended and modified herein.

3. At such time when the City may lawfully deliver to Tenant the 4576 Claire Chennault property as City-owned property (which is expected to be on or about October 1, 2023), Landlord shall give Tenant no less than fifteen (15) days advance written notice ("Second Premises Expansion Notice") when Landlord shall deliver the 4576 Clair Chennault property (the "Second Expansion Property"), which is more fully described in Exhibit "A2" attached hereto and incorporated herein by reference, to Tenant in its "as-is," "where-is" condition, and Tenant agrees hereby to accept the then City-owned property pursuant to Section 6 of the Lease, where said property shall be added to and merged with the Premises in its entirety (as described in Exhibit "A", "A1" and "A2" collectively) and made subject to the Lease, as amended and modified herein.

4. Exhibit "B" – Aerial Depiction of the Premises of the Lease is hereby amended and replaced in its entirety with Exhibit "B" attached hereto and incorporated by reference.

B. Section 2 Term is hereby amended to reflect that the Term shall end on May 31, 2024, unless otherwise terminated as provided for herein.

C. Section 2.A is hereby amended and replaced in its entirety to read as follows:

Tenant has the right to early terminate this Lease, as amended, provided Tenant gives Landlord ninety (90) days advance written notice. Tenant notice shall state firmly Tenant's date of vacating and surrendering the entire leased premises ("Tenant's Early Termination Date") to Landlord in the

condition required under the Lease. In such event, both parties are obligated to fulfill their duties and obligations under the Lease, including but not limited to the payment of Base Rent by Tenant, as amended hereinbelow, until Tenant's Early Termination Date. If Tenant's Early Termination Date is other than the last day of the calendar month, the rental due and payable shall be pro-rated on a per diem basis.

D. Section 3.A Base Rent is hereby amended and replaced in its entirety to read as follows:

Section 3.A. Base Rent and Expansion Base Rent.

1. Tenant agrees to pay to Landlord without notice, demand, offset, or deduction, an annual Base Rent of $193,786.68 paid in monthly installments of $16,148.89. The first such monthly installment shall be due and payable on or before February 1, 2023, and each monthly installment thereafter shall be due and payable on or before the first day of each calendar month until end of Term as amended herein or until the event of sub-paragraph 2 below occurs.

2. Provided Landlord delivers the First Premises Expansion Notice referenced in Section 3.A.2, above, Tenant agrees to pay to Landlord without notice, demand, offset, or deduction, an annual Base Rent of $297,587.52 paid in monthly installments of $24,798.96 (the "First Expansion Base Rent"). The first such monthly installment shall be due on or before the first day of the calendar month following receipt of the First Premises Expansion Notice or as otherwise stipulated in Landlord's First Premises Expansion Notice. Each monthly installment thereafter shall be due and payable on or before the first day of each calendar month through the end of Term or, until the event of sub-paragraph 3 below occurs.

3. Provided Landlord delivers the Second Premises Expansion Notice as referenced in Section 3.A.3 above, Tenant agrees to pay to Landlord without further notice, demand, offset, or deduction, and annualized Base Rent of $447,565.92 paid in monthly installments of $37,297.16 (the "Second Expansion Base Rent"). The first such monthly installment of the Second Expansion Base Rent shall be due on or before the first day of the calendar month following Tenant's receipt of the Second Premises Expansion Notice or as otherwise stipulated in Landlord's Second Premises Expansion Notice. Each monthly installment thereafter shall be due and payable on or before the first day of each calendar month through the end of Term, unless the Lease is early terminated as provided for in the Agreement.

B. Section 3.E Place of Payment is hereby amended and replaced in its entirety to read:

Tenant shall deliver all amounts due Landlord under this Lease to the following address or to such other person or place as Landlord may designate in writing:

Addison Airport
P.O. Box 222331
Dallas, TX 75222-2331

C. Section 4 Adjustment of Rental is removed in its entirety.

D. Section 10. Maintenance and Repair of Premises is hereby amended to include the following paragraph:

E. Except as provided for in Paragraph 10.A, Tenant shall maintain and/or restore the Premises in or to its current condition throughout the Term of the Lease. If it is determined that Tenant has failed to maintain and/or restore the Premises in or to its current condition, Landlord will seek all remedies made available to it under the Lease and by law. This paragraph shall survive the expiration or termination of this Lease.

E. Section 20 Landlord's Right of Entry is hereby amended and replaced in its entirety to read:

Landlord and Landlord's authorized representatives shall have the right, during normal business hours, to enter the Premises to: (i) inspect the general condition and state of repair thereof; (ii) make repairs permitted under this Lease; (iii) show the Premises to any prospective tenant, purchaser, or lender; and (iv) with proper advance notice (not to be less than 48 hours) to Tenant, Landlord and Landlord's authorized representatives have the right to enter the Premises to conduct condition assessments and redevelopment due diligence including, but not limited to, geo-technical core sampling, asbestos testing, environmental assessments, and surveying. Landlord and Landlord's authorized representatives have the right to enter the Premises at any time in the event of an emergency pertaining to the Premises. 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 Premises customary signs advertising the Premises for lease.

F. Section 52 Notices is hereby amended to replace the text preceding the contact addresses as follows:

Section 52. Notices and Execution: All Notices under this Lease shall be in writing and shall be deemed to be delivered, whether received or not, when (a) delivered in person; (b) deposited in the United States mail, postage paid, registered, or certified mail, (return receipt requested optional by the sender), addressed to the parties at the addresses indicated below or at such address as may have theretofore been specified by written notice delivered in accordance with this Section 52; or (c) sent by e-mail, with delivery being the next business day. If sent by e-mail, a confirmation-of-delivery receipt or report reflecting the time that the e-mail was delivered to the recipient's last notified e-mail address is prima facie evidence of receipt by the recipient, unless the sender receives a delivery failure notification indicating that the e-mail has not been delivered to the recipient.

3. **No Other Amendments.** Except to the extent modified or amended herein, all other terms, conditions, provisions, and obligations of the Lease, as amended and/or modified, shall remain unchanged and in full force and effect during the Term of the Lease.

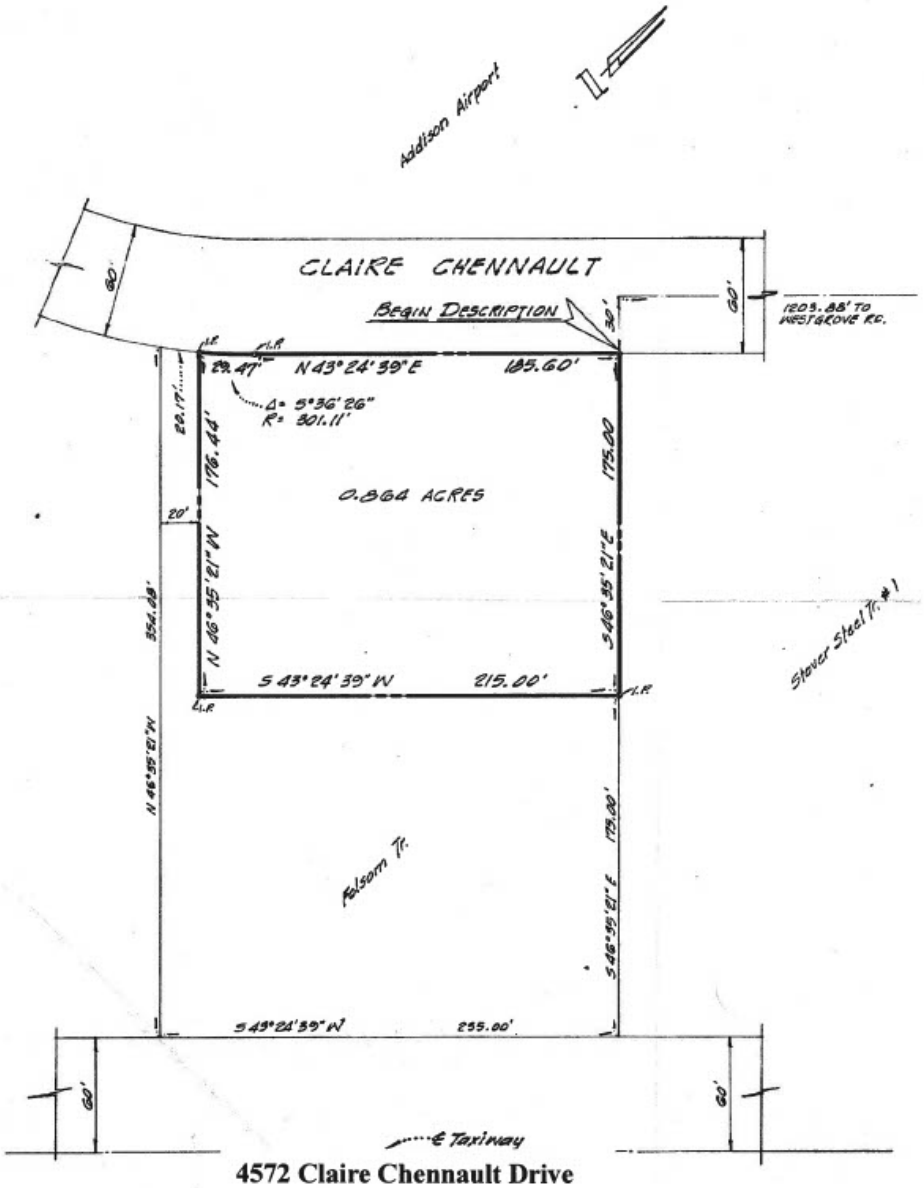
4. **Authority to Execute.** The undersigned individuals, officers and/or agents of the parties hereto are authorized and have the necessary authority to execute this First Amendment on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other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

IN WITNESS WHEREOF, the undersigned parties execute this First Amendment to Conventional Hangar Lease For Commercial Aviation Use as of the dates reflected below, to be effective on the date that Landlord executes the same (the "Effective Date").

TENANT:	**LANDLORD:**
Jani-King International, Inc.	Town of Addison, Texas
By: _____ James Cavanaugh, CEO & President	By: _____ David Gaines, City Manager
Date: 1/30/2023	Date: _____

EXHIBIT "A"

Property Survey and Legal Description of the Premises



4572 Claire Chennault Drive

Lease #0611-0101

Page 5

Description of 4572 Claire Chennault Drive

BEING A TRACT OF LAND SITUATED IN THE WILLIAM LOMAX SURVEY, ABSTRACT 792 DALLAS COUNTY, TEXAS AND LOCATED ON ADDISON MUNICIPAL AIRPORT, ADDISON, TEXAS, AND BEING MORE FULLY DESCRIBED AS FOLLOWS:

BEGIN AT A POINT FOR THE INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF ADDISON ROAD, A 60 FOOT STREET, AND THE SOUTH RIGHT-OF-WAY LINE OF WESTGROVE ROAD A 60 FOOT STREET:

THENCE S 89° 54' 46" W along the south line of said Westgrove Road a distance of 730.00 feet to a point in the centerline of Claire Chennault Road (An undedicated 60 foot street);

THENCE S 00° 05' 14" E along the centerline of Claire Chennault Road projected a distance of 301.36' to an angle point;

THENCE S 43° 24' 39" W along the ceherline of said road projected a distance of 902.52' to an angle point;

THENCE S 46° 35' 21" E to the southerly Right-Of-Way line of Claire Chennault Road a distance of 30 feet to the Beginning Point of this description;

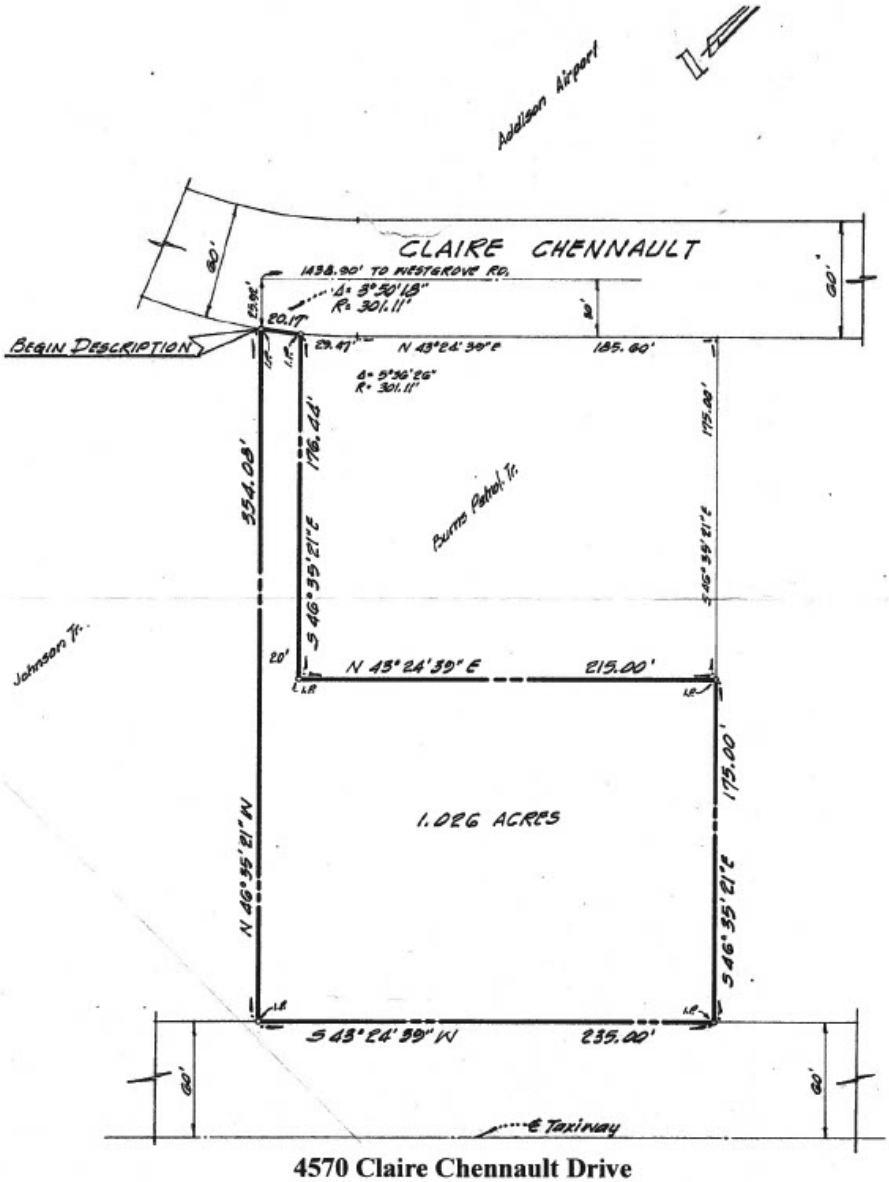
THENCE S 46° 35' 21" E a distance of 175.00 feet to an iron rod set for corner;

THENCE S 43° 24' 39" W a distance of 215.00 feet to an iron rod set for corner;

THENCE N 46° 35' 21" W a distance of 176.44 feet to an iron rod set in the southerly Right-Of-Way line of Claire Chennault Road for corner;

THENCE with a curve to the left along the southerly Right-Of Way line of said road having a chord bearing of N 46° 12' 52" E central angle of 5° 36' 26", radius of 301.107 feet for a distance of 29.47 feet to an iron rod set for corner;

THENCE N 43° 24' 39" E along the southerly Right-Of-Way line of said road a distance of 185.60' to the Beginning Point and containing 0.864 acres more or less.



4570 Claire Chennault Drive

Description of 4570 Claire Chennault Drive

BEING A TRACT OF LAND SITUATED IN THE WILLIAM LOMAX SURVEY, ABSTRACT 792 DALLAS COUNTY, TEXAS AND LOCATED ON ADDISON MUNICIPAL AIRPORT, ADDISON, TEXAS, AND BEING MORE FULLY DESCRIBED AS FOLLOWS:

BEGIN AT A POINT FOR THE INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF ADDISON ROAD, A 60 FOOT STREET, AND THE SOUTH RIGHT-OF-WAY LINE OF WESTGROVE ROAD A 60 FOOT STREET:

THENCE S 89° 54' 46" W along the south line of said Westgrove Road a distance of 730.00 feet to a point in the centerline of Claire Chennault Road (an undedicated 60 foot street);

THENCE S 00° 05' 14" E along the centerline of Claire Chennault Road, projected, a distance of 301.36' to an angle point;

THENCE S 43° 24' 39" W along the centerline of Claire Chennault Road, projected, a distance of 1,137.54' to an angle point;

THENCE S 46° 35' 21" E to the southerly Right-Of Way line of Claire Chennault Road a distance of 25.92 feet to an iron rod set for the Beginning Point of this description;

THENCE along the southerly Right-Of-Way line of said road with a curve to the left having a chord bearing of N 50° 56' 14" E, central angle of 3° 50' 18", radius of 301.107 feet, and length of 20.17 feet to an iron rod set for corner;

THENCE S 46° 35' 21" E a distance of 176.44' to an iron rod set for corner;

THENCE N 43° 24' 39" E a distance of 215.00 feet to an iron rod set for corner;

THENCE S 46° 35' 21" E a distance of 175.00 feet to an iron rod set in the north Right-of-Way line of the taxiway (120 feet wide) for corner;

THENCE S 43° 24' 39" W along the northerly Right-of-Way line of said taxiway a distance of 235.00' to an iron rod set for corner;

THENCE N 46° 35' 21" W a distance of 354.08 feet to the Beginning Point and containing 1.026 acres of land more or less.

15 April 1981
Date

Joe T. Millican
Riewe and Wischmeyer

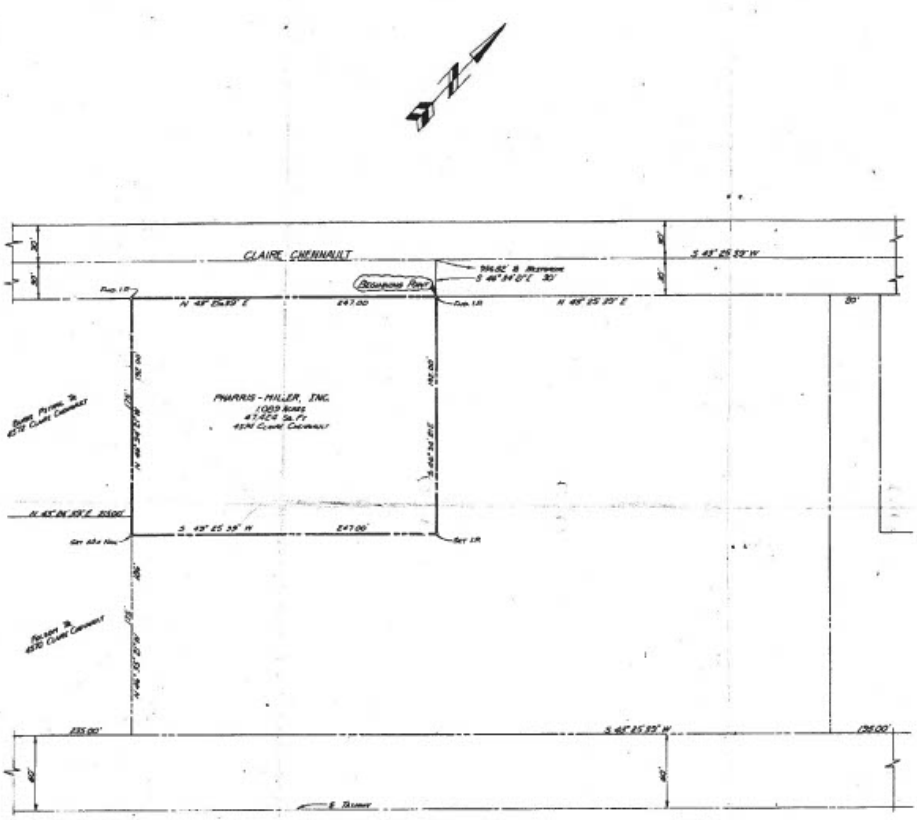
STATE OF TEXAS
JOE T. MILLICAN
3426
REGISTERED PUBLIC SURVEYOR

Lease #0611-0101

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EXHIBIT "A1"

Property Survey and Legal Description of the First Expansion Property



4574 Claire Chennault Drive

Description of 4574 Claire Chennault Drive

BEING a tract of land situated in the William Lomax Survey, Abstract 792, Dallas County, Texas and located on Addison Municipal Airport, Addison, Texas and being more fully described as follows:

COMMENCING at a point for the intersection of the west Right-of-Way line of Addison Road, a 60 foot street, and the south Right-of-Way line of Westgrove Road, a 60 foot street;

THENCE S 89° 54' 46" W along the south line of said Westgrove Road a distance of 730.00 feet to a point in the centerline of Claire Chennault Road (an undedicated 60 foot street);

THENCE S 00° 05' 14" E along the centerline of Claire Chennault Road projected a distance of 301.36 feet to an angle point;

THENCE S 43° 25' 39" W along the centerline of Claire Chennault Road projected a distance of 655.46 feet to an angle point in the centerline of Claire Chennault Road;

THENCE S 46° 34' 21" E to the southerly Right-of-Way of said road a distance of 30.00 feet for the BEGINNING POINT of this description;

THENCE S 46° 34' 21" E a distance of 192.00 feet for corner;

THENCE S 43° 25' 39" W a distance of 247.00 feet for corner;

THENCE N 46° 34' 21" W a distance of 192.00 feet for corner;

THENCE N 43° 25' 39" E a distance of 247.00 feet to the BEGINNING POINT of this description and containing 1.089 acres of land more or less.

12 AUGUST 1982
Date

William J Wischmeyer
Riewe & Wischmeyer, Inc.

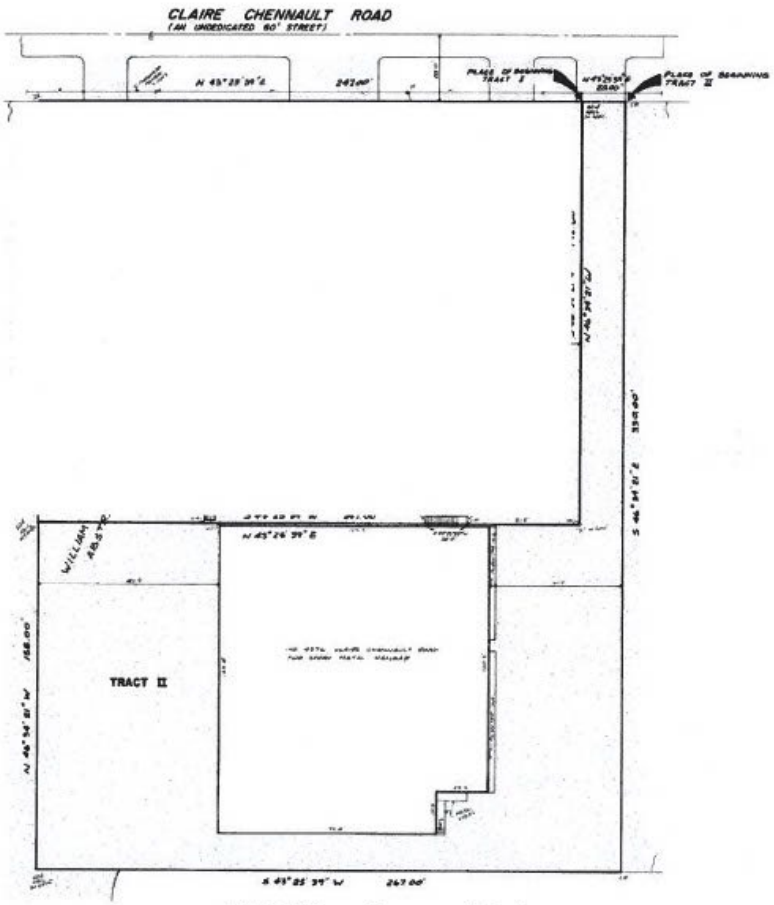
STATE OF TEXAS
WILLIAM J. WISCHMEYER
2329
REGISTERED PUBLIC SURVEYOR

Lease #0611-0101

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EXHIBIT "A2"

Property Survey and Legal Description of the Second Expansion Property



4576 Claire Chennault Drive

Description of 4576 Claire Chennault Drive

BEING a tract of land situated in the William Lomax Survey, Abstract No. 792, Dallas County, Texas and located on Addison Municipal Airport, Addison, Texas and being more particularly described by metes and bounds as follows:

COMMENCING at a point for the intersection of the West Right-of-Way line of Addison Road, a 60 Foot street, and the South Right-of-Way line of Westgrove Road, a 60 Foot street;

THENCE South 89 degrees 54 minutes 46 seconds West along the South line of said Westgrove Road a distance of 730.00 Feet to a point in the centerline of Claire Chennault Road (an undedicated 60 Foot street);

THENCE South 00 degrees 05 minutes 14 seconds East along the centerline of Claire Chennault Road projected a distance of 301.36 Feet to an angle point;

THENCE South 43 degrees 25 minutes 39 seconds West along the centerline of Claire Chennault Road projected a distance of 635.46 Feet to an angle point in the centerline of Claire Chennault Road;

THENCE South 46 degrees 34 minutes 21 seconds East to the Southerly Right-of-Way of said Claire Chennault Road a distance of 30.00 Feet for the BEGINNING POINT of this description;

THENCE South 46 degrees 34 minutes 21 seconds East a distance of 350.00 Feet to an Iron Rod for corner;

THENCE South 43 degrees 25 minutes 39 seconds West a distance of 267.00 Feet to a 60d Nail in concrete for corner;

THENCE North 46 degrees 34 minutes 21 seconds West a distance of 158.00 Feet to a 60d Nail for corner;

THENCE North 43 degrees 25 minutes 39 seconds East a distance of 247.00 Feet to an "x" set in concrete for corner;

THENCE North 46 degrees 34 minutes 21 seconds West a distance of 192.00 Feet to a 60d Nail in concrete for corner at the Southerly Right-of Way of said Claire Chennault Road;

THENCE North 43 degrees 25 minutes 39 seconds East a distance of 20.00 Feet to the PLACE OF BEGINNING and containing 46,026.00 Square Feet or 1.057 Acres of land.

EXHIBIT "B"

Aerial Depiction of the Properties



STATE OF TEXAS §
§
COUNTY OF DALLAS §

ADDISON AIRPORT

CONVENTIONAL HANGAR LEASE
FOR COMMERCIAL AVIATION USE

This Addison Airport Conventional Hangar Lease For Commercial Aviation Use (hereinafter referred to as the "Hangar Lease, "Lease," or "Agreement") is made and entered into this 16th day of September, 2021 (the "Effective Date"), by and between the **Town of Addison, Texas**, a home-rule municipality (hereinafter referred to as the "City" or "Landlord") and **Jani-King International, Inc.**, a Texas corporation ("Tenant"); Landlord and Tenant are sometimes referred to herein together as the "parties" and individually as a "party".

WITNESSETH:

WHEREAS, Landlord is the owner of the Addison Airport (hereinafter referred to as the "Airport") located in Dallas County, Texas; and

WHEREAS, the Airport is operated and managed for and on behalf of the City by the Airport Manager (hereinafter referred to as "Airport Manager" or "Manager"); and

WHEREAS, as of the Effective Date first given above, Jani-King, International Inc. owns the leasehold interests of the Premises (defined hereinbelow) subject to a certain ground lease, which commenced November 30, 1981, by and between Burns Petroleum as tenant and Addison Airport of Texas, Inc. and the City of Addison, and thereafter assigned to Jani-King International, Inc. on April 8, 1993 ("Ground Lease"); and

WHEREAS, the Ground Lease is due to expire November 29, 2021, and upon its expiration, pursuant to Section 26 of the Ground Lease, the ownership and title to all building improvements made to the Demised Premises shall merge with the real property and become solely the property of the City, free and clear of all claims, liens, and encumbrances; and

WHEREAS, immediately upon the expiration of the Ground Lease, without interruption, Tenant desires to lease and continue to occupy that certain hangar located within the Airport known as Bldg. #U5 with the public address known as 4572 Claire Chennault Drive, Addison, Texas 75001 (hereinafter referred to as the "Premises" and more fully described in **Exhibits "A" and "B"** attached hereto and made a part hereof) and Landlord desires to lease the same to Tenant for the Term as defined below; and

WHEREAS, Landlord and Tenant hereby agree to enter this Hangar Lease under the terms and conditions set forth hereinbelow.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, Landlord and Tenant hereby agree as follows:

1. Lease Grant. Subject to the terms of this Lease, Landlord leases the Premises to Tenant, and Tenant leases the Premises from Landlord.

This Hangar Lease is given and entered into subject to (i) all federal, state, and local laws, statutes, constitutional provisions, charters (including the City Charter), ordinances, codes (including building and building-related codes), rules, regulations, directives, policies, permits, standards, zoning requirements, orders, grant assurances, grant agreements, court orders, opinions and decisions, and all interpretations of the foregoing, of and/or by any governmental authority, entity, department, branch, 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, and any successor entities thereto), that are applicable, imposed upon, or related to, whether directly or indirectly, this Lease, the Airport, the Premises, and the use and occupancy thereof, as the same are existing or as they may be amended, modified, enacted,

adopted, imposed, or superseded, and including, without limitation, any and all grant agreements or grant assurances now existing or as hereafter agreed to, adopted or imposed (collectively, "Laws," and "Law" means any of the foregoing), (ii) all restrictive covenants affecting the Premises, (iii) all restrictions, mortgages, deeds of trust, liens, easements, licenses, leases, and any other encumbrance on or matter affecting the Premises, whether recorded or not, and (iv) and all of the terms, conditions, and provisions of this Hangar Lease.

2. Term: The Term hereof shall commence November 30, 2021 ("Commencement Date") immediately upon the expiration of the Ground Lease without interruption, and shall end on November 30, 2024, unless otherwise terminated as provided for herein (the "Term").

A. Effective December 1, 2023, or any time thereafter, either party may terminate this Lease by providing at least a six-month advance written Move-Out Notice to the other party. Such Lease termination shall be effective the last day of the sixth full calendar month following the delivery of the Move-Out Notice as required under Paragraph 52 below.

B. For the purposes of this Lease, the term "month" means a period extending from a date in any one calendar month to the date immediately preceding the corresponding date in the following calendar month, both dates inclusive. The term "calendar month" means a period extending from the first day to the last day, both days inclusive, of any one of the 12 calendar months of the year.

3. Rental & Security Deposit:

A. **Base Rent:** Tenant agrees to pay to Landlord without notice, demand, offset, or deduction, an annual Base Rent of $85,008.00, payable in monthly installments of $7,084.00. The first such monthly installment shall be due and payable on or before December 1, 2021, and each monthly installment thereafter shall be due and payable on or before the first day of each calendar month throughout the Term.

B. **Prorated Rent**: If the Commencement Date is on a day other than the first day of a month, Tenant will pay Landlord a prorated amount of Base Rent equal to the product of the monthly installment of Base Rent multiplied by a fraction, the (i) numerator of which is the number of days from (and including) the Commencement Date through (and including) the last day of the month that includes the Commencement Date and the (ii) denominator of which is the number of days in that month. The prorated portion of the Base Rent is due on or before the Commencement Date. Payment of Base Rent for any fractional calendar month at the end of the Term shall be similarly prorated.

C. **Additional Rent**: In addition to the Base Rent, Tenant will pay Landlord, as Additional Rent, the amounts set forth in the Utility Expense Reimbursement Addendum attached hereto and incorporated herein as **Exhibit D**.

D. **Rent**: For purposes of this Lease, "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 non-payment of any Rent as for non-payment of Base Rent. The obligations of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations.

E. **Place of Payment**: Tenant shall deliver all amounts due Landlord under this Lease to the following address or to such other person or place as Landlord may designate in writing:

Addison Airport
c/o Asst. Airport Director – Real Estate
4545 Jimmy Doolittle Drive, Suite 200
Addison, Texas 75001

F. **Method of Payment**: Tenant must pay all Rent timely and without demand, notice, deduction, or offset, except as required by Law or as otherwise provided by this Lease. Tenant shall make payment of all Rent owed by personal or corporate check made payable to "Addison Airport" (or by credit card, electronic transfer or ACH (Automatic Clearing House), if acceptable to Landlord). Cash is not an acceptable form of payment of Rent. If Tenant fails to timely pay any amounts due under this Lease, or if any check of Tenant is returned to Landlord by the institution

on which it was drawn for insufficient funds or for any other reason, or if Tenant's credit card is denied more than three times in any twelve-month period (if Landlord authorizes payment by credit card), Landlord, after providing written notice to Tenant, may require Tenant to pay subsequent amounts that become due under this Lease by cashier's check or money order only. Rent, and any other sums or amounts to be paid by Tenant to Landlord under this Lease, shall be deemed to have been paid when Landlord has received the negotiable payment.

G. **Late Charges:** If Landlord does not actually receive payment of Rent or any other sums due at the designated place of payment within ten (10) days after the date it is due, Tenant shall pay to Landlord a Late Charge equal to 5% of the amount due to reimburse Landlord for Landlord's cost and inconvenience incurred because of Tenant's delinquency. The Late Charge is a cost associated with the collection of Rent and Landlord's acceptance of a Late Charge does not waive Landlord's right to exercise its rights and remedies, including those under Paragraph 24 (Remedies of Landlord) herein.

If Tenant fails to pay (i) any monthly installment of Base Rent due under this Lease by the 10th day of the month when due, or (ii) or any other component of Rent within 10 days after the same is due as specified in this Lease, more than once in any consecutive three (3) month period, Tenant, upon the delivery of written notice to Tenant by Landlord ("Additional Deposit Notice"), shall pay to Landlord an amount equal to the then-current monthly installment of Base Rent (the "Additional Deposit") to be held and applied by Landlord as an addition to the Security Deposit delivered by Tenant and held on account by Landlord upon Tenant's execution of this Lease pursuant to subparagraph 3.H, below. Landlord's requirement of any Additional Deposit shall be in addition to all other rights and remedies available to Landlord under this Lease. If Tenant does not deliver the Additional Deposit to Landlord within ten (10) days after the delivery of the Additional Deposit Notice, such failure shall be an event of default under this Lease.

H. **Security Deposit:** Tenant shall deposit with Landlord, upon Tenant's execution of this Lease, the sum of $7,084.00, to be held by Landlord as Tenant's "Security Deposit." Such Security Deposit shall be equal to one monthly installment of Base Rent unless otherwise adjusted as provided for in 3.G. above.

1. If at any time during this Agreement the Security Deposit then held on account by Landlord becomes less than the prevailing monthly installment of Base Rent, Tenant will make an additional payment to Landlord so that the Security Deposit held by Landlord is increased to equal one monthly installment of Base Rent, unless otherwise adjusted as provided for in 3.G. above.

2. Landlord shall hold such Security Deposit without interest as security for the performance by Tenant of Tenant's covenants and obligations under this Lease. Landlord may commingle the Security Deposit with Landlord's other funds, and no trust relationship is created with respect to the Security Deposit. Tenant shall not assign, otherwise transfer, or encumber or attempt to assign, otherwise transfer, or encumber the Security Deposit, and Landlord and its successors and assigns shall not be bound by any actual or attempted assignment, other transfer, or encumbrance. Regardless of any assignment, other transfer, or encumbrance of the Security Deposit by Tenant, Landlord may return the Security Deposit to the Tenant.

3. The Security Deposit is not an advance payment of Rent or a measure of liquidated damages in case of default by Tenant. Upon the occurrence of any event of default, Landlord may, from time to time, without prejudice to any other remedy provided herein or provided by Law, use the Security Deposit to the extent necessary to make good any arrearages of Rent and any other damage, injury, expense, or liability caused to Landlord by such event of default. Following any such application of the Security Deposit, Tenant shall pay to Landlord, on demand, the amount so applied to fully restore the Security Deposit to its required amount.

4. If Tenant is not then in default hereunder, such Security Deposit, less any lawful deductions by Landlord, shall be returned by Landlord to Tenant with an accounting of said deductions taken no later than thirty (30) days following the termination or expiration of this Hangar Lease. Permitted deductions from the Security Deposit may include but not be limited to: unpaid Base Rent; unpaid utility charges incurred by Tenant; unpaid service charges; damages by Tenant to the Premises (beyond normal wear and tear) or repairs by Landlord; replacement cost of Landlord's property that was in or attached to the Premises and is missing; cost to replace unreturned keys; agreed reletting charges; Landlord's cost of cleaning the Premises to a broom-swept condition if required; Landlord's cost of removal of any trash or debris left in the Premises; Landlord's cost of the removal and storage of Tenant's personal property left or abandoned by Tenant or otherwise disposed of by Landlord; Landlord's cost of removal of unauthorized vehicles or aircraft left on the Premises; government fees or fines against Landlord because of Tenant; late fees and other costs of collection incurred by

Landlord in connection with this Lease; interest that would have been earned by Landlord on unpaid balances; attorneys' fees, court costs and filing fees.

4. Adjustment of Rental: Effective on each anniversary of the Commencement Date and each anniversary thereafter over the Term (hereinafter referred to as the "Adjustment Date"), the Base Rent due under Paragraph 3.A above shall be adjusted as follows:

A. The Base Rent shall be adjusted to reflect changes in the Consumers' Price Index - All Items for Dallas-Fort Worth, Texas (hereinafter referred to as the "Consumer Price Index"), as quoted in the publication *Consumer Price Index - All Urban Consumers (CPI-U)* for the Dallas-Fort Worth, Texas area which is issued by the U.S. Department of Labor, Bureau of Labor Statistics. The base index is the Consumer Price Index existing on the Commencement Date ("Base Index"). The current index is the Consumer Price Index on the first day of the calendar month preceding the then applicable Adjustment Date (the "Current Index").

B. Beginning with the year that includes the then applicable Adjustment Date, the Base Rent shall be adjusted so that it equals the product of the Base Rent during the first year of this Lease multiplied by a fraction, the numerator of which is the Current Index and the denominator of which is the Base Index, but in no event shall Base Rent ever be decreased below the Base Rent set forth in Paragraph 3.A.

C. If 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.

5. Permitted Use of Premises: The Premises shall be used and occupied by Tenant only for Commercial Aviation Use limited to the following (the "Permitted Use"):

A. Tenant's use of the Premises shall be limited to the storage of aircraft owned by, or under the direct care, custody, and operational control (as the term is recognized by the FAA) of the Tenant and related aeronautical tools, equipment, parts, and supplies and for no other purpose without the Landlord's prior written consent.

B. Light maintenance, repair, and restoration of Tenant's aircraft.

C. To operate a non-profit 501(c)(3) educational organization devoted to promoting aviation studies, aviation history, and the display of historically significant, vintage aircraft and materials related to the history of aviation.

D. To operate as an event venue for various public and/or private events for hire, subject to the prevailing Airport Rules & Regulations and Town of Addison Code of Ordinances including, but not limited to, the timely application and issuance of an Airport Special Events Permit when required.

E. To operate and offer to the public for-hire Living History Flight Experiences (LHFE) and to conduct flight experiences under FAA 91.147 flight programs.

For purposes hereof, "Commercial Aviation Use" means the operation of a business enterprise providing aviation-related goods, services, or facilities for a commercial purpose (including, without limitation, any activity by the Tenant securing earning, income, compensation, [including exchange or barter of goods, and services], and/or profit from said activities, whether such objectives are accomplished). Tenant shall occupy and use the Premises only for the Permitted Use and shall comply with all Laws relating to the use, condition, access to, and occupancy of the Premises.

Any use or occupancy of the Premises other than for the purposes set forth above is not permitted at any time without the prior written consent of Landlord.

The Premises shall not be used or occupied for any concession for the sale or distribution of tobacco products, oil, gas, petroleum products or any activity of a similar character. Tenant agrees that no aircraft, vehicle or other equipment will be left unattended at any time outside the boundaries of the Premises or within any common area of the Airport ("common area" having the meaning set forth in Chapter 14 of the City's Code of Ordinances), including the safety areas, operating areas and/or non-obstruction areas of the Airport without the prior written consent of the Airport Manager. Tenant further agrees to cooperate and coordinate with adjacent tenants and the Airport Manager, when

necessary (as determined by Landlord), to facilitate and not to obstruct aircraft movement along nearby taxilanes, especially during periods of construction, maintenance, and repair of Airport facilities.

The Premises shall not be used for any purpose or activity that (i) constitutes a violation of any Laws; (ii) in Landlord's opinion, creates or would create a nuisance or waste or unreasonably disturb, annoy, or interfere with other tenants or users of the Airport; or (iii) increases insurance costs for Landlord.

Tenant acknowledges that Landlord is bound by, and this Lease is subject to, the terms and conditions of all Federal Aviation Administration, Texas Department of Transportation, 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 any way or manner that would cause Landlord to be in violation of any of the foregoing.

6. **Acceptance of Premises:** Tenant acknowledges that Tenant has fully inspected the Premises and accepts the Premises as suitable for the purposes for which the same are leased in their present condition, "**AS IS, WHERE IS, WITH ALL FAULTS AND PATENT AND LATENT DEFECTS**". Without limiting anything in the foregoing, **LANDLORD HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS, AND THERE ARE NO, REPRESENTATIONS, PROMISES, COVENANTS, AGREEMENTS, GUARANTYS OR WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, OF OR AS TO THE CONDITION, QUALITY, QUANTITY, SUITABILITY, MERCHANTABILITY, HABITABILITY OR FITNESS OF THE PREMISES FOR ANY PARTICULAR PURPOSE WHATSOEVER GIVEN IN CONNECTION WITH THIS LEASE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION REGARDING SOIL CONDITIONS, AVAILABILITY OF UTILITIES, DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS OR ANY OTHER LAWS.**

TENANT ALSO ACKNOWLEDGES AND AGREES THAT TENANT'S INSPECTION AND INVESTIGATION OF THE PREMISES HAVE BEEN ADEQUATE TO ENABLE TENANT TO MAKE TENANT'S OWN DETERMINATION WITH RESPECT TO THE SUITABILITY OR FITNESS OF THE PREMISES, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO SOIL CONDITIONS, AVAILABILITY OF UTILITIES, DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS, AND ANY OTHER LAWS.

TENANT ACKNOWLEDGES THAT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS PARAGRAPH 6 ARE AN INTEGRAL PORTION OF THIS LEASE AND THAT LANDLORD WOULD NOT AGREE TO LEASE THE PREMISES TO TENANT AS SET FORTH HEREIN WITHOUT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS PARAGRAPH 6. 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 VISIBLE OR APPARENT FROM AN INSPECTION AFFECTING THE PREMISES.

7. **Securing Governmental Approvals and Compliance with Law; Noise Abatement:**

A. Tenant, at Tenant's sole cost and expense, shall obtain all governmental licenses, permits and approvals required for the use and occupancy of the Premises, as set forth in Paragraph 5 above, including but not limited to the issuance of a valid Certificate of Occupancy prior to Tenant occupying the Premises pursuant to Paragraph 44 hereinbelow.

B. Tenant shall promptly comply with all governmental orders and directives and all other Laws for the correction, prevention and abatement of nuisances caused by Tenant and arising out of the use and occupancy of the Premises, as set forth in Paragraph 5 above.

C. Tenant shall comply with noise abatement standards at the Airport and shall notify any aircraft operator using the Premises of such standards.

8. Assignment and Subletting:

A. Without the prior written consent of Landlord, Tenant shall have no power to and shall not, either voluntarily or involuntarily, by operation of law or otherwise, assign, sell, pledge, encumber, mortgage, license, transfer, or otherwise convey (together, "assign" or "assignment," and any person or entity to whom an assignment is made being an "assignee") this Lease or any rights or obligations of Tenant hereunder, or sublet the whole or any part of the Premises. Any such assignment or any subletting, without the prior written consent of Landlord, shall be null and void and may be deemed by Landlord (in Landlord's sole discretion) an event of default under Paragraph 23 (Default by Tenant) of this Lease. For the purposes hereof, an assignment will be deemed to have also occurred if the person(s) who owns or has voting control of 51% or more of Tenant on the Effective Date of this Hangar Lease ceases to own or have voting control of 51% or more of Tenant at any time during the term of the Hangar Lease. From time to time as requested by Landlord, Tenant shall provide to Landlord, in a form acceptable to Landlord, a written certification as to the ownership of voting securities or voting control of Subtenant. For the 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 or partnership interests, by contract, or otherwise.

Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of Paragraph 5 pertaining to the use of the Premises. In the event of any Landlord-approved assignment or subletting, Tenant shall not assign this Lease or sublet the Premises without first obtaining a written agreement from each such assignee or sublessee whereby each such assignee or sublessee agrees to be bound by the terms and provisions of this Hangar Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the Premises are assigned or sublet, Landlord, in addition to any other 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 waive its rights or remedies, and it will not stop Landlord from exercising its rights or remedies, with respect to any other actual or proposed assignment or subletting, and Landlord's consent to any assignment or subletting will not relieve Tenant or any guarantor of Tenant hereunder 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 Premises for the purpose of renting hangar space for aircraft storage only, provided that each sublease is 1) made available for Landlord's review and inspection during Tenant's normal business hours upon Landlord's written request, and 2) evidenced by written agreement, signed, and executed by Tenant and the subtenant, and has incorporated therein and fairly states that:

1. each subtenant agrees to be bound by the terms and provisions of this Hangar Lease, including the provisions of Paragraph 5 pertaining to the use of the Premises. In the event of any conflict between the terms of this Hangar Lease and the terms of the sublease, the terms of the Hangar Lease shall control;

2. no such subletting shall constitute a novation.

3. in the event of occurrence of an event of default while the Premises are sublet, Landlord, in addition to any other rights or remedies provided herein or by Law, in equity, or otherwise, 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 under this Lease;

4. subtenant shall be obligated to obtain Landlord's consent to any action as to which Tenant is obligated to obtain such consent under this Hangar Lease;

5. any such sublease is to automatically terminate upon termination of this Hangar Lease notwithstanding any other provision of the sublease to the contrary;

6. Landlord shall have no responsibility or obligation for the performance by subtenant of its obligations under the sublease; and

7. neither this consent, the exercise by Landlord of its rights and/or remedies hereunder, nor the sublease or any other instrument shall give subtenant 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 subtenant.

Further, Tenant agrees that in no way does any sublease release Tenant from any of its covenants, agreements, liabilities and duties under this Hangar 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 under this Hangar Lease; that Tenant shall remain fully liable for the performance of each and every term, provision, covenant, duty and obligation of the Tenant under this Hangar Lease including, without limitation, the duty to make any and all payments of Rent. Any violation of any terms and conditions of this Hangar Lease by a subtenant will constitute a default by Tenant under this Hangar Lease.

Upon Landlord's written request, Tenant shall provide to Landlord the names and addresses of any subtenants, and the make, model, aircraft type and "N" number of any aircraft stored or located on or in the Premises by Tenant or any subtenant.

9. **Property Taxes and Assessments:** Tenant shall pay, before they become delinquent, all property taxes or assessments, and any other governmental charges, fees, or expenses, levied or assessed on: (i) all improvements, fixtures, equipment or personal property comprising a part of or located upon the Premises; and (ii), the leasehold estate of Tenant created hereby (hereinafter referred to as "Tenant's Taxes"). Upon the request of Landlord, Tenant shall, from time to time, furnish to Landlord "paid receipts" or other written evidence that all of Tenant's Taxes have been paid by Tenant. If any of Tenant's Taxes are included in tax notices and, or statements delivered to Landlord, Tenant has the right to legally protest or appeal, as provided for by Law, any tax levy or assessment of Tenant's Taxes provided Landlord has not already filed or does not intend to file such protest or appeal of (i) the appropriateness of such tax and, or (ii) the taxable value as assessed by the respective taxing authority. If any of Tenant's Taxes are included in tax statements delivered to Landlord, Tenant shall pay to Landlord that portion representing Tenant's Taxes within ten (10) days after Tenant's receipt of an invoice from Landlord accompanied by evidence of Landlord's computation of the portion thereof representing Tenant's Taxes. In the event Tenant fails to pay any Tenant's Taxes, Landlord shall have the right (but not the obligation) to pay or cause to be paid such Tenant's Taxes, and the costs thereof expended by or caused to be expended by Landlord plus interest thereon as provided in Paragraph 40 of this Lease shall be paid by Tenant on demand.

10. **Maintenance and Repair of Premises:**

A. Landlord shall, throughout the term hereof, except as otherwise expressly provided in this Lease and so long as Tenant is not in default of this Agreement beyond any applicable cure period, be responsible for those areas, items and matters identified in the "Landlord" column as set forth in **Exhibit E** - Maintenance and Repair Responsibilities, which exhibit is attached hereto and incorporated herein by reference. Landlord shall not be responsible for Tenant or any third party's equipment, fixtures, or personal property comprising a part of or located upon the Premises.

B. Except as provided by subparagraph A. of this Paragraph 10, Tenant shall, to the Landlord's satisfaction, maintain the Premises in good order, condition, and repair throughout the term of this Lease including, but not limited to, those areas, items and matters identified under the "Tenant" column set forth in the attached **Exhibit E** to this Agreement. Tenant shall be responsible for any alterations, additions or improvements made by Tenant to the Premises and/or any improvements thereon or therein. Tenant shall, throughout the term hereof, be responsible for all consumable supplies and repair of plumbing and water damage caused because of Tenant's failure to reasonably protect water pipes from freezing temperatures or misuse by Tenant or by Tenant's owners, employees, agents, contractors, guests or invitees. Tenant shall be responsible for keeping the Premises free from waste and nuisance and shall, upon the expiration of the Lease Term, or any earlier termination of this Lease or any repossession of the Premises by Landlord, deliver the Premises clean and free of trash and in good condition and repair, with all fixtures and equipment situated in or upon the Premises in the same condition as same existed on the Commencement Date, with reasonable wear and tear excepted.

Notwithstanding anything in this Lease to the contrary, Tenant shall bear the risk of complying with the Americans with Disabilities Act of 1990, any other federal or any state laws governing access to the disabled, or architectural barriers, and all rules, regulations, and guidelines promulgated under such Laws, as amended from time to time, in or pertaining to the Premises.

C. In the event Tenant fails to so maintain or repair the Premises and/or the improvements, fixtures, equipment and personal property comprising a part of or located upon the Premises, and/or otherwise fails to comply

with any of the provisions of subparagraph B. or D. of this Paragraph or any other provision of this Lease requiring Tenant to maintain or repair the Premises or keep them in a particular condition, Landlord shall have the right (but not the obligation) to cause all such repairs or other maintenance or work to be made, and the reasonable costs therefor expended by Landlord plus interest thereon as provided in Paragraph 40 shall be paid by Tenant to Landlord on demand.

D. If Tenant handles or stores flammable materials on the Premises, Tenant agrees to maintain proper safeguards with respect thereto and to comply with all requirements of Landlord's and Tenant's insurance companies and/or governmental authorities with respect to the storage, use and disposal of such materials, and with all applicable Laws.

11. Alterations, Additions, and Improvements: Tenant shall not create any openings in the roof or exterior walls, or make any alterations, additions, or improvements to the Premises, without the prior written consent of Landlord. Landlord shall not unreasonably withhold its consent for non-structural alterations, additions, or improvements. Tenant shall have the right to erect or install shelves, bins, machinery, and trade fixtures, if Tenant complies with all applicable Laws in connection therewith. All alterations, additions, and improvements in and to the Premises shall be performed in accordance with the terms and provisions of this Lease, with all Laws, and in a first-class, workmanlike manner, and Tenant shall promptly pay and discharge all costs, expenses, claims for damages, liens and all other liabilities and obligations which arise in connection therewith.

12. Insurance:

A. Tenant shall procure and maintain throughout the Term, without interruption, a policy or policies of insurance, at Tenant's sole cost and expense, to meet or exceed the insurance requirements specified in the then prevailing Addison Airport Minimum Standards and Requirements for Commercial Aeronautical Service Providers (the "Airport Minimum Standards") which may be amended or modified by the City from time to time. At any time over the Term the Airport Minimum Standards are either suspended, repealed, or otherwise modified to the extent Tenant's use and occupancy of the Premises no longer require such insurance policies under the Airport Minimum Standards, Tenant shall procure and maintain throughout the Term, without interruption, the following insurance policies:

1. Commercial General Liability insurance against claims for bodily injury, death or property damage or destruction occurring on, in or about the Premises, with limits of liability of not less than $1,000,000 for each occurrence, CSL/$1,000,000 general aggregate. Coverage shall include blanket contractual liability for liability assumed under this Lease.

2. Workers Compensation insurance and employer's liability with limits of liability of not less than $1,000,000.

3. Hangar keepers 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 any 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.

4. Aircraft Liability insurance for all Tenant-owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of $1,000,000 and $1,000,000 for personal and advertising injury.

B. All insurance policies required under this Paragraph 12 shall be endorsed to provide the following, as applicable: (i) in all liability policies, name as additional insureds the Town of Addison, Texas, and its respective officials, officers, agents, and employees; (ii) in all liability policies, provide that such policies are primary insurance regardless of the application of any other insurance available to the additional insureds, with respect to any claims arising out of activities conducted under this Lease, and that insurance applies separately to each insured against whom a claim is made or suit is brought; and (iii) a waiver of subrogation in favor of the Town of Addison, Texas, , and its respective officials, officers, agents, and employees, must be included in all liability and Workers Compensation policies. All such policies shall be issued by an insurance company authorized to do business in Texas and in the standard form approved by the Texas Department of Insurance, if required, and shall be endorsed to provide for at least 30 days' advance written notice to Landlord of a material change in, non-renewal, or cancellation of a policy. Certificates of insurance, satisfactory to Landlord, evidencing all coverage above, shall be furnished to Landlord prior to the Commencement Date, with

complete copies of policies furnished to the Landlord upon request. Landlord reserves the right to review and revise from time to time the types of insurance and limits of liability required herein.

13. Casualty Damage or Destruction:

A. In case of any damage to or destruction of the buildings, structures, fixtures and equipment, or any other improvements, on or at the Premises, or any part thereof, Tenant shall promptly give written notice thereof to Landlord, generally describing the nature and extent of such damage and/or destruction.

B. If the Premises (the hangar building or structure, excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any assignee, subtenant or other occupant of the Premises) should be substantially, totally, or partially destroyed or damaged by fire, tornado or other casualty, this Lease shall not terminate, but Landlord may, at Landlord's sole option and at Landlord's sole cost, expense and risk, proceed forthwith and use reasonable diligence to rebuild or repair the Premises (the hangar building or structure, but excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any permitted assignee, subtenant or other occupant or user of the Premises) to substantially the condition in which it existed prior to such destruction or damage; provided, however, that if Landlord elects not to rebuild or repair such damage or destruction and notifies Tenant in writing of such election, then this Lease shall terminate and rent shall be abated for the unexpired portion of this Lease, effective from the date of actual receipt by Landlord of the written notification of the damage or destruction from Tenant. If Landlord elects to rebuild or repair the Premises and the Premises are untenantable in whole or in part following such destruction or damage, during the period of such rebuilding or repair the Rent payable hereunder shall be equitably adjusted for that period during which the Premises are untenantable. However, if the destruction or damage was caused by the negligence, gross negligence, or willful or wanton act or omission of Tenant, or any of Tenant's officers, employees, agents, subtenants, licensees, contractors, subcontractors, or invitees, or any other person for whom Tenant is responsible, Rent shall not be abated and Tenant shall have the continuing obligation to pay Rent during the period of such rebuilding or repair.

If Landlord elects to rebuild or repair the Premises (the hangar building or structure) as set forth above, Tenant shall, immediately upon notice from Landlord, remove from the Premises its equipment and property as reasonably required by Landlord to complete such rebuilding or repair. Upon the completion of such rebuilding or repair, Tenant shall restore the Premises and Tenant's property and promptly reopen for business. Tenant shall use the proceeds from Tenant's insurance policies for restoration of improvements made by Tenant to the Premises, for restoration and/or replacement of Tenant's equipment, trade fixtures, and inventory, and to cover any business interruption loss.

C. Landlord's election to pay for the cost of the repair or rebuilding of the Premises (the hangar building or structure) or any part thereof may, at Landlord's option, not extend beyond or exceed the proceeds of any casualty or property damage insurance payable and collected in connection with such damage or destruction. All insurance proceeds, if any, payable on account of such damage or destruction shall be held and retained by Landlord (whether such repair or rebuilding occurs, or this Lease terminates).

14. Condemnation:

A. If, during the term hereof, any part of the Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, or is sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the Premises is not susceptible to efficient and economic occupation and operation by Tenant, this Lease shall automatically terminate as of the date said condemning authority takes possession of the Premises, and Landlord shall refund to Tenant any prepaid but unaccrued rental less any sum then owing by Tenant to Landlord.

B. If, after such taking by or sale to said condemning authority, the remainder of the Premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the Base Rent 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 Base Rent installment due hereunder (as adjusted from time to time pursuant to Paragraph 4, above) by a fraction, the numerator of which shall be the number of square feet remaining in the Premises after the taking by or sale to said condemning authority and the denominator of which shall be the square footage originally contained in the Premises. The Base Rent adjustment called for herein shall either not commence or be

suspended until said condemning authority takes possession of the condemned portion of the Premises. All other terms and provisions shall remain unchanged unless otherwise provided for herein.

C. Landlord shall receive the entire award or payment from any condemnation and Tenant shall have no claim to that award or for the value to Landlord of any unexpired term of this Lease; provided, however, that Tenant shall have the right to appear in any condemnation proceeding or action to negotiate, prosecute and adjust any claim attributable to loss or damage to Tenant's trade fixtures and removable personal property, removal or relocation costs, and any loss to Tenant resulting from the unexpired portion of the Lease Term. If this Lease is not terminated pursuant to subparagraph A of this Paragraph, Landlord shall repair damage to the Premises caused by the condemnation (excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any permitted assignee, subtenant or other occupant of the Premises), except that (i) Landlord shall not be obligated to repair any damage for which Tenant has been reimbursed by the condemning authority; and (ii) if the condemnation damages or payments received by Landlord are not sufficient to pay for such repair, Landlord shall have the right to terminate this Lease.

15. Utilities: Except where provided to the contrary below, Tenant shall be responsible, at Tenant's sole cost and expense, for obtaining all utility connections at or for the Premises and Tenant shall pay all charges for water, electricity, gas, sewer, telephone or any other utility connections, impact fees, tap-in fees and services furnished to the Premises during the term hereof. Tenant agrees to contact all utility service providers prior to any excavation or digging on the Premises or the premises in and around the Premises. Landlord shall in no event be liable or responsible for any cessation or interruption in any such utility services.

A. Notwithstanding the foregoing, Landlord and Tenant hereby acknowledge and agree to the terms and conditions contained in **Exhibit D** – Utility Expense Reimbursement Addendum attached hereto and incorporated herein by reference wherein it sets forth which utility services, if any, will be provided and paid for by the Landlord and subsequently reimbursed by Tenant upon demand.

B. If Tenant is the responsible party for obtaining any of the utility connections at or for the Premises, any access or alterations to the Premises or to the Airport necessary to obtain any of such utility connections may be made only with Landlord's prior consent and at Tenant's sole expense.

C. In the event Tenant fails to pay any utility or connection charges for which Tenant is responsible, Landlord shall have the right (but not the obligation) to pay or cause to be paid such charges, fees or expenses, incurred by Tenant and the costs thereof expended by or caused to be expended by Landlord plus interest thereon as provided in Paragraph 40 of this Lease shall be paid by Tenant upon written demand.

D. Prior to executing this Lease Tenant acknowledges that it has, at its sole costs and expense, determined that all necessary utilities are available to the Premises and are adequate for Tenant's intended commercial use, and that there are no other utility services needed or required by Tenant at the Premises in connection herewith.

E. Landlord shall in no event be liable or responsible for any cessation or interruption in any utility services to the Premises.

16. Common Facilities and Easements:

A. **Common Facilities:** So long as Tenant is not in default hereunder beyond any applicable cure period, Tenant and Tenant's owners, 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 at the Airport for the accommodation and convenience of Landlord's customers and tenants, including landing and takeoff facilities, means of ingress and egress to the Premises, other Airport installations, and all other reasonable services which may be provided without charge from time to time by Landlord in operating the Airport ("Common Facilities"). All such Common Facilities shall always be under the exclusive control and management of Landlord and may be rearranged, modified, changed, restricted, closed, or terminated from time to time at Landlord's sole discretion.

B. **Granting of Right of Way**: Given the existing aircraft ramp/apron configuration of the Premises and the abutting ramp/aprons associated with 4570, 4574, and 4576 Claire Chennault properties ("Adjacent Properties"),

Tenant, for itself and its successors and assigns, hereby grants a non-exclusive right-of-way easement to the owner, occupant and/or tenant (together with their guests and invitees) of the Adjacent Properties across and over a portion of the aircraft ramp/apron within the Premises expressly for the purpose of aircraft, vehicle, and pedestrian ingress and egress to and from their respective premises to the airport Common Facilities. The attached aerial attached hereto and incorporated by reference as **Exhibit C** depicts the proximity of the aircraft ramp/apron on the Premises subject to this Paragraph 16.B ("Shared Ramp"). Tenant (a) shall not leave unattended aircraft, vehicles, equipment, or other personal property on the Shared Ramp at any time with the exception of conducting proper pre- or post-flight operations on the shared ramp; (b) shall refrain from utilizing, encroaching, or otherwise interfering or obstructing the Adjacent Properties' aircraft ramp/apron except by express permission or by way of a reciprocal right-of-way easement similar hereto; and (c) agrees to be respectful of adjacent tenants' right of quiet use and enjoyment of their leased premises without interference by Tenant.

17. Special Events: Landlord may sponsor or hold certain special events, including, but not limited to, air shows and fireworks displays to be conducted on portions of the Airport, which may limit or obstruct access to the Premises and/or to the Airport ("Special Events"). As a material inducement to Landlord to enter this Lease, and notwithstanding anything to the contrary contained herein, Tenant, on behalf of Tenant and on behalf of all directors, officers, shareholders, partners, principals, employees, agents, contractors, subtenants, licensees or concessionaires of Tenant, and on behalf of any other party claiming any right to use the Leased Premises by, through or under Tenant, hereby: (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 Premises and/or to the Airport; (ii) releases, waives and discharges Landlord and Manager, and their respective officials, officers, employees and agents, from all liability for any loss, damage, cost, expense or claim arising or resulting from or pertaining to the limitation or obstruction of access to the Premises and/or to the Airport from the conduct of Special Events and/or activities relating or pertaining thereto, including, without limitation, death, injury to person or property or loss of business or revenue (the "Released Claims"); (iii) covenants not to sue the Landlord or Manager or their respective officials, officers, employees and agents (whether in their official or private capacities) for any Released Claims; (iv) agrees that the terms contained in this Paragraph are intended and shall be construed to be as broad and inclusive as possible under Law; and (v) agrees that if any portion of this Paragraph is held to be invalid or unenforceable, the remainder of this Paragraph shall not be affected thereby, but shall continue in full force and effect.

18. Rules and Regulations: Landlord has adopted the Airport Minimum Standards (as defined in Paragraph 12.A., above) and the "Addison Airport Rules and Regulations" (the "Rules and Regulations") which shall govern Tenant's use of and conduct on the Premises and all Common Facilities, a copy of which has been or will be furnished to Tenant. The Airport Minimum Standards and the Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant agrees to always comply fully with them. Landlord shall have and reserves the right, in its sole discretion, to discontinue, amend, modify and alter the Airport Minimum Standards and the Rules and Regulations from time to time, and to adopt other rules, standards, or regulations applicable to the Airport, the Premises and Tenant as Landlord may deem necessary or appropriate, in its sole discretion, including for the purpose of assuring the safety, welfare and convenience of Landlord, Tenant and all other tenants, users, and customers of the Airport.

19. Signs and Equipment: After first securing Landlord's approval, Tenant shall have the right from time to time to install signs depicting Tenant's name and to operate radio, communications, meteorological, aerial navigation and other equipment and facilities in or on the 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, and all changes to such Laws, including the Town of Addison's sign ordinance, with the Airport Minimum Standards and the Rules and Regulations, with all provisions of this Lease, 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).

20. Landlord's Right of Entry: Landlord and Landlord's authorized representatives shall have the right, during normal business hours, to enter the Premises: (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the Premises to any prospective tenant, purchaser, or lender, or (iv) for any other reasonable and lawful purpose. Landlord and Landlord's authorized representatives have the right to enter the Premises at any time in the event of an emergency pertaining to the Premises. 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 Premises customary signs advertising the Premises for lease.

21. **Indemnity and Exculpation and Release:**

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.** TENANT AGREES TO AND SHALL FULLY DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO LANDLORD), INDEMNIFY AND HOLD HARMLESS (I) THE TOWN OF ADDISON, TEXAS, AND THE ELECTED OFFICIALS, THE 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 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, (I) ANY CONDITION OF THE 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 LEASE TERM (COLLECTIVELY, "TENANT PERSONS"), (II) ANY CONSTRUCTION ON OR REPAIR TO THE PREMISES, OR THE 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 DAMPNESS OR BY FIRE, EXPLOSION, FALLING PLASTER OR CEILING, (III) 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 OR GROSS 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.**

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 PARAGRAPH 21) AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS (AS THE TERM "MANAGER PERSONS" IS DEFINED IN SUBPARAGRAPH B. OF THIS PARAGRAPH 21) 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 PARAGRAPH 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 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 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 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 PARAGRAPH 21 SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE AGREEMENT.

22. Environmental Compliance:

A. No Storage or Disposal: Tenant shall not install, store, use, treat, transport, discharge or dispose (or permit, allow, or acquiesce in the installation, storage, use, treatment, transportation, discharge or disposal by Tenant or by any Tenant Persons) on the 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 and Recovery Act (42 U.S.C. §6901 et seq., as amended or superseded), the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §9601 et seq., as amended or superseded), the Hazardous Materials Transportation Act (49 U.S.C. §5101 et seq., as amended or superseded), the Toxic Substances Control Act (15 U.S.C. §2601 et seq., as amended or superseded), the Clean Air Act (42 U.S.C. §7401 et seq., as amended or superseded), and/or the Clean Water Act (33 U.S.C. §1251 et seq., as amended or superseded) (and any regulations promulgated pursuant to the foregoing Laws), or any other federal, state, county, regional, local or other governmental Laws, or which, even if not so regulated may or could pose a hazard to the health and safety of the occupants of the 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 applicable Law; or (ii) in any manner which is prohibited or deemed unsafe under applicable Law. (The substances referred to in the foregoing (a), (b), (c) or (d) are collectively referred to hereinafter as "Hazardous Materials").

B. Cleanup Laws; Tenant's Indemnity Obligation:

1. Tenant shall, at Tenant's sole cost and expense, comply with any presently existing or hereafter enacted Laws (including all rules, standards, regulations, or policies relating to Hazardous Materials (collectively, "Cleanup Laws")). In furtherance and not in limitation of the foregoing, Tenant shall, at Tenant's sole cost and 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 Premises and/or any portion of the Common Facilities by (i) Tenant, or by (ii) 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/or their respective owners, directors, shareholders, partners, officers, managers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, and concessionaires, or by (iii) any 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 of this Lease, Tenant shall, at Tenant's own cost and 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 cost or 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 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.

2. **Tenant's Indemnity Obligation.** **WITHOUT LIMITING ANY OTHER INDEMNITY, HOLD HARMLESS, AND DEFENSE OBLIGATION OF TENANT SET FORTH IN THIS LEASE, TENANT AGREES TO AND SHALL FULLY DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO LANDLORD), INDEMNIFY, AND HOLD HARMLESS THE TOWN OF ADDISON, TEXAS AND ALL OTHER ADDISON PERSONS (AS THE TERM "ADDISON PERSONS" IS DEFINED IN SUBPARAGRAPH B OF PARAGRAPH 21, ABOVE), AND THE MANAGER PERSONS (AS THE TERM "MANAGER PERSONS" IS DEFINED IN SUBPARAGRAPH B OF PARAGRAPH 21, ABOVE), FROM AND AGAINST, AND REIMBURSE THE TOWN OF ADDISON, TEXAS, ALL OTHER ADDISON PERSONS, THE AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS (AS THE CASE MAY BE) FOR, ANY AND ALL OBLIGATIONS, DAMAGES, INJUNCTIONS, FINES, PENALTIES, DEMANDS, CLAIMS, COSTS, FEES, CHARGES, EXPENSES, ACTIONS, CAUSES OF ACTION, JUDGMENTS, LIABILITIES, SUITS, PROCEEDINGS, HARM, AND LOSSES OF WHATEVER KIND OR NATURE (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COURT COSTS), AND ALL CLEANUP OR REMOVAL COSTS AND ALL ACTIONS OF ANY KIND, MADE UPON, INCURRED BY, SUFFERED BY, OR ASSERTED AGAINST ANY ADDISON PERSON OR ANY MANAGER PERSON OR THE PREMISES, WHETHER DIRECTLY OR INDIRECTLY, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE INSTALLATION, STORAGE, USE, TREATMENT, TRANSPORTING, DISPOSAL OR DISCHARGE OF HAZARDOUS MATERIALS IN, ON, UNDER, ABOVE, OR TO THE PREMISES AND/OR ANY PORTION OF THE COMMON FACILITIES OR ANY PORTION OF THE AIRPORT OR ADJACENT PROPERTIES BY TENANT OR BY ANY TENANT PERSONS (AS THE TERM "TENANT PERSONS" IS DEFINED IN SUBPARAGRAPH B OF PARAGRAPH 21, ABOVE); AND FROM ALL FINES, PENALTIES, SUITS, JUDGMENTS, PROCEDURES, PROCEEDINGS, CLAIMS, ACTIONS, AND CAUSES OF ACTION OF ANY KIND WHATSOEVER ARISING OUT OF TENANT'S OR ANY OF TENANT PERSONS' FAILURE TO PROVIDE ALL INFORMATION, MAKE ALL SUBMISSIONS AND TAKE ALL STEPS REQUIRED BY THE AUTHORITY UNDER THE CLEANUP LAWS OR ANY OTHER LAW, RULES, REGULATION, STANDARD, ORDER, OR POLICY (ENVIRONMENTAL OR OTHERWISE). SUCH DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SHALL AND DOES INCLUDE DAMAGES ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSONS, THE AIRPORT MANAGER OR ANY OTHER MANAGER PERSONS, OR BY ANY ACT OR OMISSION OF OR BY THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSONS, THE AIRPORT MANAGER OR ANY OTHER MANAGER PERSONS THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.**

TENANT'S OBLIGATIONS AND LIABILITIES UNDER THIS SUBPARAGRAPH SHALL CONTINUE (AND SURVIVE THE TERMINATION OR EXPIRATION OF THIS LEASE) SO LONG AS THERE MAY BE HAZARDOUS MATERIALS AT THE PREMISES AND/OR ANY PORTION OF THE COMMON FACILITIES OR ANY PORTION OF THE AIRPORT OR ADJACENT PROPERTIES, THAT WERE INSTALLED, STORED, USED, TREATED, TRANSPORTED, DISPOSED OF OR DISCHARGED DURING THE LEASE TERM BY TENANT OR ANY OF TENANT PERSONS. IN ADDITION TO AND NOT IN LIMITATION OF LANDLORD'S OTHER RIGHTS AND REMEDIES, TENANT'S FAILURE TO ABIDE BY THE TERMS OF THIS PARAGRAPH 22 SHALL BE RESTRAINABLE BY INJUNCTION.

C. Environmental Notices: Tenant shall promptly supply Landlord and Airport Manager 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. Survival: Tenant's obligations and liability pursuant to the terms of this Paragraph 22 shall survive the expiration or earlier termination of this Lease.

23. Default by Tenant: Each of the following shall be deemed to be an event of default by Tenant under this Lease:

A. Failure of Tenant to pay any installment of Rent, or to pay or cause to be paid taxes (to the extent Tenant is obligated to pay or cause same to be paid), utilities, insurance premiums, 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 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), and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant.

C. Tenant shall fail to deliver the Additional Deposit to Landlord within ten (10) days after the delivery by Landlord to Tenant of the Additional Deposit Notice.

D. Tenant, or any guarantor of Tenant hereunder, (i) becomes or is declared insolvent according to any Law, (ii) makes a transfer in fraud of creditors according to any applicable Law, or (iii) assigns or conveys all or a substantial portion of its property for the benefit of creditors.

E. Tenant or any guarantor of Tenant hereunder, files a petition for relief, or is the subject of an order for relief, under the United States Bankruptcy Code, as amended, or any other present or future federal or state insolvency, bankruptcy, or similar Laws (collectively "Applicable Bankruptcy Law").

F. Appointment of a receiver or trustee for Tenant (or any guarantor of Tenant hereunder) or Tenant's (or any such guarantor's) property; or the interest of Tenant (or any such guarantor) under this Lease is levied on under execution or under other legal process; or any involuntary petition is filed against Tenant (or any such guarantor) under Applicable Bankruptcy Law (provided, however, that no action described in this subparagraph F. or in subparagraphs D. or E. shall constitute a default by Tenant if Tenant (or any guarantor of Tenant hereunder) shall vigorously contest the action by appropriate proceedings and shall remove, vacate or terminate the action within sixty (60) days after the date of its inception.).

G. Abandonment by Tenant of any substantial portion of the Premises or cessation of use of the Premises for the purposes leased.

H. Tenant is in default of any other lease or agreement with, or any permit or license issued by, the Town of Addison, Texas.

24. Remedies of Landlord: Upon the occurrence of any of the events of default listed in Paragraph 23, Landlord, without prejudice to any legal, equitable, or other (including contractual) right or remedy to which it may be entitled, shall have the option to pursue any one or more of the following remedies without notice or demand whatsoever (and using lawful force if necessary or appropriate after providing written notice thereof, if any is required):

A. Terminate this Lease or any of Tenant's rights under this Lease, with or without reentering or repossessing the Premises.

B. Terminate Tenant's right to occupy all or any part of the Premises without terminating this Lease and with or without reentering or repossessing the Premises.

C. Recover unpaid rent and any Breach Damages (as "Breach Damages" are defined in this Paragraph 24, below).

D. Change or pick the locks, access codes, or other access control devices, and take any other self-help or judicial action to exclude Tenant and other occupants from the Premises.

E. Remove and store (at Tenant's sole cost) any property on the Premises at Tenant's sole cost.

F. Sue for eviction, specific enforcement, equitable relief, rent, damages, or any other available remedy.

G. Apply the Security Deposit in any manner permitted by this Lease, and/or increase the amount of the Security Deposit.

H. Cure Tenant's default, and if Landlord so elects, Tenant must reimburse Landlord within thirty (30) days after Landlord delivers an invoice for the cure amounts paid or to be paid plus any reasonable expenses Landlord incurred effecting compliance with Tenant's obligations.

I. Withhold or suspend any payment that this Lease would otherwise require Landlord to make.

J. Charge interest on any amount not paid when due through the date of its payment at the Default Interest Rate (as set forth in Paragraph 40).

K. Recover, but only if Tenant fails to pay Rent and Landlord terminates this Lease or Tenant's right of possession with more than twelve (12) months remaining in the Term of this Lease, liquidated rental damages for the period after any such termination equal to twelve (12) times the monthly Rent due at the time of termination in lieu of any other contractual or legal measure of damages (including re-letting costs) for Tenant's non-payment of Rent, and the parties agree this is a reasonable estimate of Landlord's damages for such a breach given the uncertainty of future market rental rates and of the duration of any vacancy.

L. Exercise all other remedies available to Landlord at Law, in equity, or otherwise (including, without limitation, injunctive relief and any other remedy available under applicable Law).

For purposes of this Paragraph 24, "Breach Damages" means and includes, without limitation, all actual, incidental, and consequential damages, court costs, interest, and attorneys' fees arising from Tenant's breach or default of this Lease, including, without limitation, the cost to or incurred by Landlord of (a) recovering possession of the Premises, (b) removing and storing the property of Tenant and any other occupant or user of the Premises, (c) re-letting of the Premises (including, without limitation, the costs of brokerage commissions and cleaning, decorating, repairing, or altering the Premises for a substitute tenant or tenants), (d) collecting any money owed by Tenant or a substitute tenant, (e) repairing any damage to the Premises caused by any Tenant or other occupant or user of the Premises, (f) performing any obligation of Tenant under this Lease, (g) any other loss or cost reasonably incurred by Landlord as a result of, or arising from, Tenant's breach of this Lease or Landlord's exercise of its rights and remedies for such breach, (h) any contractual or liquidated type or measure of damages, including but not limited to Rental Deficiency as such is defined below; and (i) any other type or measure of damages recoverable for any particular breach under applicable Law.

For purposes of this Paragraph 24, "Rental Deficiency" means a contractual measure of Breach Damages for Tenant's non-payment of Rent measured by either the (a) actual Rental Deficiency, which is the difference (never less than zero) between (i) the Rent due for, and other Rent allocable under this Lease to, each month beginning with the first month with respect to which Landlord receives Rent from re-letting the Premises, and (ii the proceeds, if any, that Landlord actually collects from any substitute tenant for any part of the Premises in each corresponding month in which the Term and the term of the substitute tenant's lease overlap; or (b) market Rental Deficiency, which is the present value, discounted at 6% simple annual interest, of the difference (never less than zero) between (i) the rent otherwise due under this Lease during any period after Tenant's breach in which Landlord may elect to recover this damage measure, and (ii) the fair rental value of the Premises during that period, *plus* any costs incurred in connection with any actual or attempted re-letting and any other Breach Damages.

In determining the market Rental Deficiency, the fair rental value will be the total rent that a comparable tenant would pay for comparable space in a building of substantially equivalent quality, size, condition, and location, considering rental rates and concessions then prevalent in the marketplace, the remaining lease term, the expected vacancy, and any other relevant factors. An independent MAI appraiser selected by Landlord will determine the fair rental value of the Premises, and that determination will conclusively bind the parties in any computation of the market Rental Deficiency.

Unless Landlord delivers signed, written notice thereof to 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 Premises, termination of this 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 re-letting of the Leased Premises).

Pursuit of any of the foregoing remedies or rights shall not preclude pursuit of any of the other remedies or rights herein provided or any other remedies or rights provided by Law, in equity, or otherwise; nor shall pursuit of any remedy or right 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. If any of Tenant's property ("Tenant Property") remains upon the Premises upon the expiration of the Lease term or any earlier termination of this Lease or any repossession of the Premises by Landlord because of Tenant's default under this Lease, Landlord shall have the right to remove such Tenant Property from the Premises and store such Tenant Property, and Tenant shall be obligated to reimburse Landlord for all of the costs incurred by Landlord in removing and storing such Tenant Property. Landlord shall not be required to release any Tenant Property to Tenant until Tenant has paid Landlord all costs incurred by Landlord in removing and storing such Tenant Property and all other amounts owed by Tenant to Landlord pursuant to this Lease, including, without limitation, unpaid rental and costs incurred by Landlord to repair the Premises.

25. Default by Landlord: No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the Premises or render Landlord liable for damages, of any kind or nature, 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 recoupment, or entitle Tenant to take any action whatsoever with regard to the 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 the said thirty (30) day period, or within said additional reasonable period, Tenant shall have the right, as its sole and exclusive remedy, to proceed to cure such default and deduct the cost of curing same plus interest thereon at the rate of ten percent (10%) per annum from the next succeeding Base Rent installment(s) due by Tenant to Landlord hereunder.

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.

The liability of Landlord (and all other Addison Persons and all Manager Persons) for any default by Landlord under this Lease shall be limited to an amount equal to twelve (12) months of Base Rent (the amount of such Base Rent being the amount in effect at the time of such default), and Landlord (and all other Addison Persons and all Manager Persons) shall not be otherwise or personally liable for any deficiency, claim, harm, loss, judgment, liability, or for any other matter whatsoever, and Tenant (for itself and all Tenant Persons) fully waives all other rights of recovery against Landlord (and all other Addison Persons and all Manager Persons) and any assets of Landlord (and all other Addison Persons and all Manager Persons).

26. Mitigation of Damages:

A. Landlord and Tenant agree to the following criteria in connection with Landlord's mitigation of damages after a default by Tenant and abandonment of the Premises by Tenant under this Lease (such mitigation, being by means of marketing the Premises for lease, to commence not more than sixty (60) days after Tenant physically vacates the Premises and to continue until the Premises have been relet):

1. Landlord will have no obligation to solicit or entertain negotiations with any other prospective tenant of the Premises until and unless Landlord obtains full and complete possession of the Premises, including without limitation, the final and non-appealable legal right to relet the Premises free of any claim of Tenant.

2. Landlord will not be obligated to offer the 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 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 Premises) nor shall Landlord be obligated to enter 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 sole judgment and opinion.

5. Landlord will not be obligated to enter 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 occupy and operate the Premises in a first-class manner and meet its financial obligations; or (ii) whose proposed use of the 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 Premises suitable for use by any prospective tenant.

If Landlord makes the Premises available for reletting under the criteria set forth hereinabove, Landlord will be deemed to have fully satisfied Landlord's obligation 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 malicicusly or in bad faith fails to act in accordance with the requirements of this Paragraph.

No rent collected from a substitute tenant for any month more than the Rent due under the Lease for that month will be credited or offset against unpaid Rent for any other month or any other Breach Damages. Tenant stipulates that the mitigation requirements expressed in this Paragraph are objectively reasonable. **TO THE FULLEST EXTENT PERMITTED BY LAW, TENANT WAIVES ANY OTHER OBLIGATION BY LANDLORD TO MITIGATE ITS DAMAGES AFTER TENANT VACATES OR ABANDONS THE PREMISES.**

B. Tenant's right to seek damages because 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 officials, officers, employees, agents, invitees, or other third parties that may be caused by any such default of Landlord.

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 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 casualty, 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.

28. Title to Improvements: The Town of Addison, Texas, is the sole owner of the Premises. Any and all improvements made to the Premises by Tenant shall become the property of Landlord upon the expiration or termination of this Lease; provided, however: (i) if Tenant is not then in default hereunder, Tenant shall have the right to remove all personal property, equipment, or removable trade fixtures owned by Tenant from the Premises, but Tenant shall be required to repair any damage to the Premises caused by such removal in a good and workmanlike manner and at Tenant's sole cost and expense; and (ii) Landlord may elect to require Tenant to remove all improvements made to the Premises by Tenant and restore the Premises to the condition in which the same existed on the Commencement Date hereof, in which event Tenant shall promptly perform such removal and restoration in a good and workmanlike manner and at Tenant's sole cost and expense. If Tenant fails or refuses to remove any or all of Tenant's personal property,

equipment, and trade fixtures from the Premises on or before the date of the termination of this Lease, the items which Tenant has failed or refused to remove: (i) shall be considered abandoned by Tenant, (ii) shall become the property of Landlord, and (iii) may be disposed of by Landlord in any manner desired by Landlord in Landlord's unfettered discretion.

29. **Mechanics' and Materialmen's Liens: TENANT AGREES TO DEFEND, INDEMNIFY AND HOLD LANDLORD HARMLESS OF AND FROM ALL LIABILITY ARISING OUT OF THE FILING OF ANY MECHANICS' OR MATERIALMEN'S LIENS AGAINST THE PREMISES BY REASON OF ANY ACT OR OMISSION OF TENANT OR ANYONE CLAIMING BY, THROUGH, OR UNDER TENANT; AND LANDLORD, AT LANDLORD'S OPTION, MAY SATISFY SUCH LIENS AND COLLECT THE AMOUNT EXPENDED FROM TENANT TOGETHER WITH INTEREST THEREON AS PROVIDED IN PARAGRAPH 40 AS ADDITIONAL RENT; PROVIDED, HOWEVER, THAT LANDLORD SHALL NOT SO SATISFY SUCH LIENS UNTIL THIRTY (30) DAYS AFTER WRITTEN NOTIFICATION TO TENANT OF LANDLORD'S INTENTION TO DO SO AND TENANT'S FAILURE DURING SUCH THIRTY (30) DAY PERIOD TO BOND SUCH LIENS OR ESCROW FUNDS WITH APPROPRIATE PARTIES TO PROTECT LANDLORD'S INTEREST IN THE PREMISES.**

30. **Title:** Tenant enters this Lease and accepts the Premises subject to: (i) the Airport Minimum Standards and the Rules and Regulations as amended or modified from time to time; (ii) easements, rights-of-way, and other interests in or encumbrances on Property (whether or not recorded) that may affect the Premises; (iii) all Laws promulgated by any governmental authority having jurisdiction over the Premises, and (iv) all of the terms, conditions, and provisions of this Lease.

31. **Quiet Enjoyment and Subordination:** Landlord represents that Tenant, upon Tenant's payment of the Rent and other payments herein required and provided for, and Tenant's performance of the terms, conditions, covenants and agreements herein contained, shall peaceably and quietly have, hold and enjoy the Premises during the full Term of this Lease; provided, however, that Tenant accepts this Lease subject and subordinate to any recorded mortgage, deed of trust or other lien presently existing upon, or to any other matter affecting, the Premises. 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, ground or other lease ("ground lease"), or other lien now existing or hereafter placed on the Premises or to declare this Lease prior and superior to any mortgage, ground lease, deed of trust or other lien now existing or hereafter placed on the Premises (and Tenant agrees upon demand to execute such further instruments subordinating this Lease as Landlord may request), provided such subordination shall be upon the express conditions that (i) this Lease shall be recognized by the mortgagee (or ground lessor or holder of such other lien or interest) and that all of the rights of Tenant shall remain in full force and effect during the full term of this Lease so long as Tenant attorns to the mortgagee, its successor and assigns (or ground lessor or holder of such other lien or interest, their successors and assigns) and pays timely all Rent and other payments due hereunder and performs all of the duties and obligations of Tenant under this Lease; and (ii) in the event of foreclosure or any enforcement of any such mortgage, deed of trust, ground lease, or other lien, 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 under this Lease and attorn to the mortgagee, its successor and assigns (or ground lessor or holder of such other lien or interest, their successors and assigns). Tenant also agrees upon demand to execute further instruments declaring this Lease prior and superior to any mortgage, deed of trust, ground lease, or other lien and specifically providing that this Lease shall survive any foreclosure of such mortgage, deed of trust or other lien, or action to terminate a ground lease affecting the Premises. Upon any foreclosure of any mortgage, deed of trust or other lien now existing or hereafter placed on the Premises (or any sale in lieu thereof), or upon termination of a ground lease affecting the Premises, Tenant agrees to attorn to and recognize as landlord hereunder, the purchaser of Landlord's interest in the Premises at any foreclosure sale (or sale in lieu thereof) pursuant to any such mortgage, deed of trust or other lien, or the ground lessor (in the event of termination of a ground lease), if Tenant is required to do so by the applicable party (and Tenant agrees to execute an instrument to that effect as may be provided by such applicable party).

32. **Access and Egress:** Landlord reserves, and Tenant hereby grants to Landlord, the full and unrestricted access to and egress from that portion of the Premises on which buildings or improvements are not located for Landlord, its tenants, employees, guests, patrons, invitees, contractors, suppliers of materials, furnishers of services, its or their equipment, vehicles, machinery and other property, and Manager, its officers, employees and agents, without charge to Landlord or to said persons or entities.

33. Rent on Net Return Basis: It is intended that the rent provided for in this Lease shall be a net return to Landlord for the term of this Lease, free of any loss, expenses, or charges with respect to the Premises including, without limitation, maintenance, repairs, replacement, insurance, taxes and assessments, and this Lease shall be construed in accordance with such intention.

34. Holding Over: Should Tenant, or any of Tenant's successors in interest fail to surrender the 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 fifty percent (150%) of the Base Rent paid for the last month of the Term of this Lease.

35. 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 remedy. or Tenant's breach of any obligation under this Lease, unless Landlord delivers a signed writing, addressed to Tenant and explicitly relinquishing that right, remedy or breach. No custom or practice arising during the Term of 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.

36. 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 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 Premises.

37. Attorneys' Fees: If, on account of any breach or default by Landlord or Tenant of their respective obligations under this Lease, it shall become necessary for the other to employ an attorney to enforce or defend any of such party's rights or remedies hereunder, and should such party prevail, such party shall be entitled to collect reasonable attorneys' fees incurred in such connection from the other party.

38. 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.

39. Estoppel Certificates:

A. Tenant agrees that from time to time, upon not less than thirty (30) days' prior written request by Landlord, Tenant will deliver to Landlord a statement in writing certifying: (i) that 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); (ii) the dates to which rent and other charges have been paid; (iii) Landlord is not in default under any term or provision of this Lease or, if then in default, the nature thereof in detail in accordance with an exhibit attached thereto; (iv) that, if requested by Landlord, Tenant will not pay Rent more than one (1) month in advance, (v) that this Lease will not be amended without notice to Landlord's mortgagee (or such other person as Landlord may identify), and (vi) that this Lease will not be terminated by Tenant without the same notice required by this Lease to be furnished by Tenant to Landlord also being furnished by Tenant to Landlord's mortgagee (or such other person as Landlord may identify), and Landlord's mortgagee (or such other person as Landlord may identify) shall have the same opportunity to cure such default within the curative period as allowed Landlord under this Lease; and (vii) any other information pertaining to Landlord, Tenant, this Lease or the Premises reasonably requested by Landlord.

B. Landlord agrees that from time to time, upon not less than thirty (30) days' prior written request by Tenant, Landlord will deliver to Tenant a statement in writing certifying: (i) that 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); (ii) the dates to which Rent and other charges have been paid; and/or (iii) Tenant 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.

40. 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 per annum at the lesser of ten percent (10%) or the highest non-usurious rate then allowed by Law (the "Default Interest Rate"), 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 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.

41. Landlord's Lien: In addition to the constitutional and statutory Landlord's liens, **TENANT HEREBY GRANTS TO LANDLORD A SECURITY INTEREST TO SECURE PAYMENT OF ALL RENT DUE HEREUNDER FROM TENANT, UPON ALL GOODS, WARES, EQUIPMENT, FIXTURES, FURNITURE AND OTHER PERSONAL PROPERTY OWNED BY TENANT AND SITUATED IN OR UPON THE PREMISES, TOGETHER WITH THE PROCEEDS FROM THE SALE OR LEASE THEREOF.**

Such property shall not be removed without the consent of Landlord until all arrearages in rent then due to Landlord hereunder shall have been paid and discharged. Upon Tenant's failure to pay rent due within ten (10) days after the due date, Landlord may, in addition to any other remedies provided herein or by Law, enter upon the Premises and take possession of any and all goods, wares, equipment, fixtures, furniture and other personal property owned by Tenant and situated on the Premises without liability for trespass or conversion, and sell the same at public or private sale with or without having such property at the sale, after giving Tenant reasonable notice of the time and place of any such sale. Landlord has no right to and has no security interest in and may not take possession of any property which may be situated on the Premises, but which is not owned by Tenant, including but not limited to property which may be owned by another and leased and/or loaned to Tenant. Unless otherwise required by Law, notice to Tenant of such sale shall be deemed sufficient if given in the manner prescribed in this Lease at least thirty (30) days before the time of the sale. Any public sale made under this Paragraph shall be deemed to have been conducted in a commercially reasonable manner if held in the Premises or where the property is located, after the time, place and method of sale and a general description of the types of property to be sold have been advertised in a daily newspaper published in Dallas County, Texas, for five (5) consecutive days before the date of the sale. Landlord or Landlord's assigns may purchase at a public sale and, unless prohibited by Law, at a private sale. The proceeds from any disposition dealt with in this paragraph, less all expenses connected with the taking of possession, holding and selling of the property including reasonable attorneys' fees and legal expenses), shall be applied as a credit against the indebtedness secured by the security interest granted herein. Any surplus shall be paid to Tenant or as otherwise required by Law, and Tenant shall pay any deficiency forthwith.

Upon request by Landlord, Tenant agrees to execute, as debtor, and deliver to Landlord financing statements in form sufficient as may be necessary to perfect the security interest of Landlord in the aforementioned property and proceeds thereof under the provisions of the Texas Business and Commerce Code. Landlord may at its election at any time file in the appropriate County records a copy of this Lease as a Financing Statement. Landlord, as Secured Party, has all the rights and remedies afforded a secured party under the Texas Uniform Commercial Code in addition to and cumulative of the landlord's liens and rights provided by Law or by the other terms and provisions of this Lease. The constitutional and statutory liens for rent are expressly reserved; the security interest herein granted is in addition and supplementary thereto.

42. Corporate Execution: If Tenant is a corporation or if this Lease shall be assigned by Tenant to a corporation or if Tenant sublets all or a portion of the Premises to a corporation, such corporation hereby agrees to execute and deliver to Landlord from time to time during the Term of this Lease such instruments as Landlord may reasonably request to evidence: (i) the authority of such corporation to transact business good standing with the State of Texas; and (ii) the authority of the officers of such corporation to execute this Lease or other documents in connection with this Lease.

43. Joint and Several Liability: If more than one person or entity is defined as Tenant in this Lease, all the duties, obligations, promises, covenants, and agreements contained in this Lease to be paid and performed by Tenant shall be the joint and several obligations of all persons or entities defined as Tenant. Each person or entity defined as Tenant agrees that Landlord, in Landlord's sole discretion, may: (i) institute or bring suit against them, jointly and

severally, or against any one or more of them; (ii) compromise or settle with any one or more of them for such consideration as Landlord may deem proper; and (iii) release one or more of them from liability hereunder, and that no such action by Landlord shall impair or affect Landlord's rights to collect costs, expenses, losses or damages incurred or suffered by Landlord from the other persons or entities defined as Tenant, or any of them, not so sued, compromised, settled with or released.

44. Certificate of Occupancy: Tenant may take possession of the Premises pursuant to the terms and conditions of this Hangar Lease; however, Tenant may not occupy the Premises without first being issued a valid Certificate of Occupancy pursuant to the Town of Addison, Texas Code of Ordinances, Part II, Chapter 18, Article II, Division 2, Section 18-53. Tenant may apply for a Certificate of Occupancy any time after the Effective Date of this Agreement. If for any reason, beyond the reasonable control of Tenant, Tenant is unable to secure a Certificate of Occupancy within thirty (30) days prior to the Commencement Date, Tenant may terminate this Lease provided Tenant has given Landlord written notice of all deficiencies preventing the issuance of said Certificate of Occupancy in favor of Tenant and Landlord fails to cure or otherwise resolve the deficiency(ies) within ten (10) business days of Landlord's receipt of Tenant's written notice. Nothing herein contained shall obligate Landlord to install any additional electrical wiring, plumbing or plumbing fixtures, or other fixtures or equipment or any other improvements whatsoever which are not presently existing in the Premises, or which have not been expressly agreed upon by Landlord in writing.

45. Independent Contractor: It is understood and agreed that in leasing, occupying, and operating the Premises, Tenant is acting as an independent contractor and is not acting as agent, partner, joint venturer, or employee of Landlord.

46. Force Majeure: 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, the period for performance of such term, condition or covenant shall be extended for a period equal to the period Landlord is so delayed or hindered.

47. 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.

48. Use of Language; No Third-Party Beneficiaries: 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. 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.

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.

Except as otherwise set forth in this Lease, this Lease and each of its provisions are solely for the benefit of the parties hereto and are not intended to and shall not create or grant any rights, contractual or otherwise, to any third person or entity.

49. Captions: The captions or headings 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.

50. Successors: 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.

51. Severability: The terms and provisions of this Lease are severable, and if any term or provision in this Lease should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby, and the invalid or unenforceable term or provision will be reformed to fully give effect to the parties' intentions in a manner that is legal, valid, and enforceable. It is the parties' intent that the term of this

Lease does not exceed any statutory limit; if it should be determined that the term of this Lease exceeds such period, the term hereof shall be reformed to make the term hereof not exceed such period.

52. Notices: Any notice or document required to be delivered or given hereunder may be delivered in person or shall be deemed to be delivered, whether received or not, when deposited in the United States mail, postage prepaid as registered or certified mail (return receipt requested is optional by sender), addressed to the parties at the addresses indicated below, or at such other addresses as may have theretofore been specified by written notice delivered in accordance herewith.

TO LANDLORD:

Town of Addison, Texas
c/o Airport Manager
4545 Jimmy Doolittle Drive, Suite 200
Addison, Texas 75001
Attn: Asst. Airport Director – Real Estate

~ and ~

Town of Addison, Texas
P.O. Box 9010
5300 Beltline Road
Dallas, TX 75001-9010

TO TENANT:

Jani-King International, Inc.
4572 Claire Chennault Drive
Addison, TX 75001
Attn: Perry White, Director of Special Projects

53. 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 THE TENANT AGREES TO INDEMNIFY AND HOLD THE CITY AND/LANDLORD HARMLESS FROM THE PAYMENT OF ANY SUCH FEES OR COMMISSIONS.**

54. 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.

55. Governing Law and Venue: This Lease and all of the transactions contemplated herein shall be governed by and construed in accordance with the Laws of the State of Texas, without regard to conflict of Law provisions of any jurisdiction; and Landlord and Tenant both irrevocably agree that venue for any dispute concerning this Lease or any of the transactions contemplated herein shall be in any court of competent jurisdiction in Dallas County, Texas, and the parties submit themselves to the jurisdiction of such courts.

56. No Recording: Tenant agrees that Tenant will not record this Lease in the real property records of Dallas County, Texas, without first securing the prior written consent of Landlord, which may be withheld at Landlord's sole discretion. However, Tenant agrees upon the written request of Landlord to execute, acknowledge, and deliver to Landlord a short-form lease in recordable form.

57. Diagram: The diagram of the Premises attached hereto as **Exhibit B** merely evidences existing or contemplated improvements. By attaching such diagram as an exhibit to this Lease, Landlord is in no way contracting or bound to maintain or construct improvements exactly as shown thereon or prohibited from making additional or different improvements.

58. Time of Essence: Time is of the essence in the payment and performance of the duties and obligations imposed upon Tenant by the terms and conditions of this Lease.

59 Survival: All duties and obligations imposed upon Tenant by the terms and conditions of this Lease shall survive the termination or expiration of this Lease until paid or performed.

60. Special Conditions:

A. This Hangar Lease shall supersede the Ground Lease defined above. Under the terms and conditions of the Ground Lease, Tenant is obligated to maintain the improvements made to the Demised Premises in good repair

and condition over the duration of the ground-lease term. Landlord provided Tenant notice of needed repairs to the Demises Premises that were included in Property Condition Report ("PCA") dated February 10, 2021, prepared by Partner Engineering and Science, Inc., which report was also provided to Tenant. Items needing attention are described below and referenced in Table 1 of the PCA (the "PCA Repairs").

1. Section 3.2.2 - Clean and seal cracks and joints at the concrete pavement. Perform limited sectional concrete repairs at the southwest drive lane.
2. Section 4.3.1 – Clean and repoint masonry brick, perform miscellaneous brick repairs where needed.
3. Section 4.3.2 – Remove and replace window sealant and gaskets.
4. Section 4.4.1 – Perform selective re-coating of the stucco entrance canopy, where existing paint is deteriorated; allowance for sealant touch-up at metal panel fasteners/laps/joints and miscellaneous repairs as needed.
5. Section 5.3 – Install GFCI outlet circuits at restrooms.
6. Section 5.5.1 – Inspected and test fire extinguishers
7. Section 7.0 – Provide a complaint curb ramp at the main entry; ADA modifications to the restrooms including replacing door hardware, sink fixtures, cabinetry fixtures, and rehanging of door to swing outward; provide one additional ADA-designated parking space with required vertical and horizontal signage.

As an inducement for Landlord to enter this Hangar Lease, and as a condition precedent to this Hangar Lease commencing and allowing Tenant to retain occupancy and possession of the Premises, the above-referenced PCA Repairs must be completed to Landlord's satisfaction no later than thirty (30) days prior to the expiration of the Ground Lease. If the above-referenced PCA Repairs are not completed to Landlord's satisfaction prior to the expiration of the Ground Lease, this Hangar Lease shall automatically terminate no later than November 30, 2021, *ab inito* with no further duty or obligation by either party to the other except for Tenant's obligations pertaining to vacating the Premises pursuant to the Ground Lease. Notwithstanding the foregoing, this Lease does not in any way release or waive any rights, duties, or obligations of either party under the Ground Lease, while the Ground Lease remains in full force and effect.

B. Regarding the ground lease with Jani-King International, Inc. for the property located at 4574 Claire Chennault Drive, which ground lease is set to expire November 30, 2022, should Landlord and Tenant enter into a Conventional Hangar Lease for that property upon the ground lease expiration, the lease term shall be coterminous with this Hangar Lease Term, and will include an early termination clause similar to what is described in Section 2A above.

61. Authority to Execute. The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Lease 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.

62. Entire Agreement and Amendments: This Lease, consisting of sixty-two (62) paragraphs and Exhibits A through E attached hereto and made a part hereof, together with the premises and recitals to this Lease set forth above which are incorporated herein, and any other documents incorporated herein (including, without limitation, the Rules and Regulations), embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements 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 on behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

EXECUTED as of the day, month, and year first above written.

TENANT:	**LANDLORD:**
JANI-KING INTERNATIONAL, INC. a Texas corporation	**TOWN OF ADDISON, TEXAS** a home-rule municipality
By: _____ James Cavanaugh, CEO and President	By: _____ Wesley S. Pierson, City Manager

RESOLUTION NO. R21-072

October 26, 2021

EXHIBIT "A"

Property Survey and Legal Description of the Premises

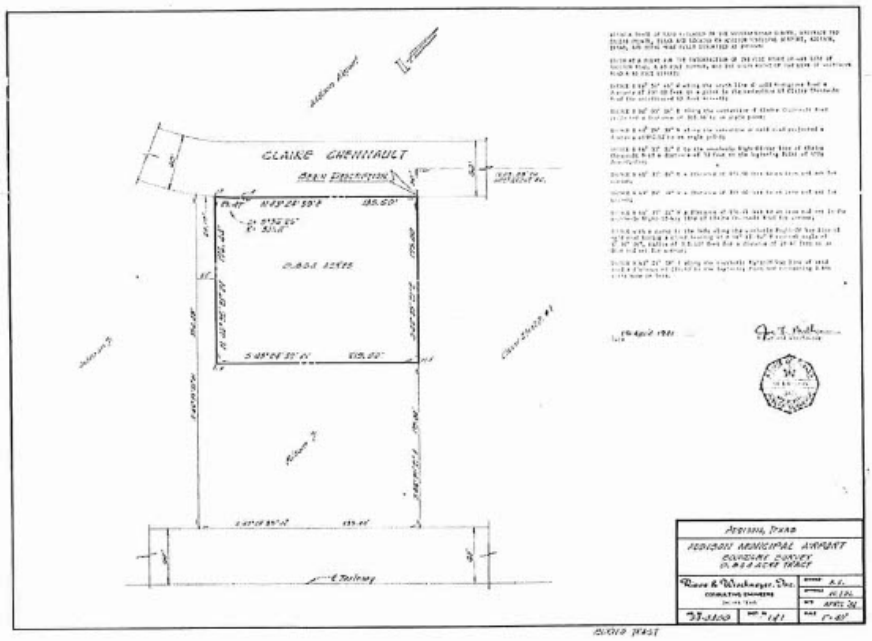


EXHIBIT "B"

Aerial Depiction of the Premises

Below is a depiction of the proximity of the Premises for informational purposes only and is not to be construed as accurate in area or dimension.

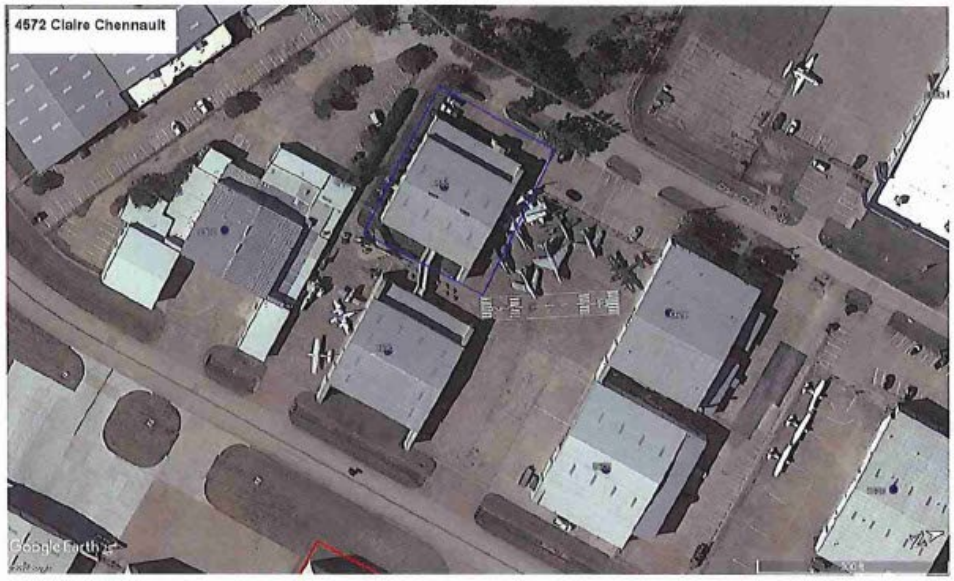


EXHIBIT "C"

Shared Ramp Subject to Right-of-Way Easement
(See Paragraph 16.B)



EXHIBIT "D"

Utility Expense Reimbursements

Conventional Hangar Lease for Commercial Aviation Use Effective November 30, 2021, concerning the Premises located at 4572 Claire Chennault Drive, Addison Airport, Addison, Dallas County, Texas 75001

A. The party designated below will pay for the following utility charges serving the Premises including any related connection/disconnection charges assessed by the service provided:

(Check or mark once per line. *Note: if a check or mark is omitted or not made for any line item or if more than one check or mark is made on any line item, Tenant is the responsible party to procure and pay for such service).*

(1)	(2) N/A	(3) Landlord	(4) Provided by Landlord & Reimbursed by Tenant	(5) Tenant	(6) Further Description If Any
1. Water	☐	☐	☐	√	Water Meter #_____
2. Sewer	☐		☐	√	
3. Electric	☐	☐	☐	√	Electric Meter #_____
4. Gas	☐	☐	☐	√	if available to the Premises - Meter #_____
5. Telephone/Data	☐	☐	☐	√	
6. Trash	☐	☐	☐	√	
7. Cable	☐	☐	☐	√	
8. Other -	☐	☐	☐	☐	
9. Other -	☐	☐	☐	☐	
10.Other - _____	☐	☐	☐	☐	

The responsible party so designated above (i) may select or change the utility service provider from time to time over the term of the Lease, and (ii) shall be responsible, at its sole cost and expense, for obtaining and maintaining said utility connections at or for the Premises.

B. All utilities to be provided by Landlord and reimbursed by Tenant as indicated above (Column 5) shall be paid as follows:

1. In addition to the Base Rent, Tenant will pay Landlord as Additional Rent the costs for the utility services indicated herein and directly attributable or reasonably allocable to the Premises and associated with the referenced accounts (where each account is an account of or for Landlord).

2. Each month Landlord shall submit to Tenant an invoice for all such utility costs, including taxes, fees, and other related costs, billed to Landlord for the preceding billing cycle. Tenant shall pay, as Additional Rent, the amount of each such invoice no later than the first day of the month following the date of the invoice (and the obligation to pay the invoice for the last month (or partial month) of this Hangar Lease shall survive the expiration or termination of this Hangar Lease). Landlord agrees to reasonably cooperate with Tenant in the event Tenant, at Tenant's sole cost, should desire to inquire about, or to protest or appeal, the charges being assessed by the utility service provider. To this end, Tenant shall give Landlord prior written notice of any such protest or appeal, and resolution thereof.

3. Landlord agrees not to assess any rebilling or administrative service fees for utility costs covered under this addendum.

4. Tenant's failure to timely pay said utility costs as Additional Rent shall be deemed to be an event of default by Tenant under the Lease. Landlord reserves all rights and remedies available to it under the Lease and by Law to collect all Rent due.

EXHIBIT "E"

Maintenance and Repair Responsibilities

Conventional Hangar Lease for Commercial Aviation Use Effective November 30, 2021, concerning the Premises located at 4572 Claire Chennault Drive, Addison Airport, Addison, Dallas County, Texas 75001

	Landlord	Tenant	Comment
Ground Maintenance			
Building & Gate Locksmithing & Security	Maintains all public access gates. Main entry gate to property is Landlord's responsibility to maintain and repair unless abuse by Tenant or its invitees.	All, as required by Tenant's use and all Laws, including ordinances, rules and regulations. All doors and gates leading to Airport Operations Area are to be kept always secured.	
Fencing	Landlord maintains Airport perimeter fence (damage to such fence caused by or resulting from any of Tenant's, or its guests' and invitees, acts or omissions shall be paid for by Tenant)	All other fencing upon the Premises, *if any*, is Tenant's responsibility.	
Landscape & Lawn Care		All turf, beds and planters within the Premises	
Landscape Irrigation		Minimum requirements by City ordinance	
Pavement - Parking	Structural repairs and reconstruction	Regular sweeping and snow removal. Any damage other than that resulting from normal wear and tear. Painting and striping as required for intended use or required by ordinance or otherwise by Landlord with Landlord's prior written consent.	
Pavement - Ramp	Structural repairs and reconstruction	Regular sweeping and snow removal. Any damage other than that resulting from normal wear and tear. Painting and striping as required for intended use, safe operations or as required by Landlord and with Landlord's prior written consent.	

	Landlord	Tenant	Comment
Trash Dumpster	Dumpster location or location changes at the sole discretion and direction of the Landlord. Change of service provider at sole discretion of Landlord.	Tenant to manage and maintain and to be provided at Tenant's sole cost and expense. Must be kept on Premises unless otherwise approved in advance by Landlord	Trash service is a shared service with 4551 & 4553 Glenn Curtiss Drive. Paid by Landlord and assessed 50%/50% between tenants.
Trash Dumpster screening, if required		Maintained at Tenant's sole cost and expense.	
Building Shell			
Garage Overhead & Service Doors	Major repairs and replacement if required at sole discretion of Landlord.	General preventive maintenance and basic service and repair. Examples of general preventive maintenance and basic service and repair would be servicing, maintaining or repairing springs, cables, rollers, latch & lock…	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Hangar Doors	Major repairs and replacement if required at sole discretion of Landlord	General preventive maintenance and basic service – including cleaning floor tracks.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Hangar Floor	Major repairs and replacement if required at sole discretion of Landlord.	General preventive maintenance, sweeping, cleaning and safety markings as required by Landlord. Examples include cleaning floors of oils and chemical materials that may cause permanent damage to floor surface such as stains or peeling of floor coating.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Building & Hangar Insulation, if existing	Major repairs and replacement if required at sole discretion of Landlord.	General preventive maintenance, repair and replacement where required.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for

	Landlord	Tenant	Comment
			by Tenant.
Painting and cleaning of building exterior	Performed by Landlord at Landlord's sole expense and discretion.	General preventive maintenance, repair and replacement where required.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Repairs to exterior siding building, fascia, trim, etc.	Performed by Landlord at Landlord's sole expense and discretion	General preventive maintenance, repair and replacement where required.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Window and Glass Curtain Walls	Major repairs and replacement when required at sole discretion of Landlord.	General preventive maintenance, repair and replacement where required.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Roof	Major repairs and replacement when required at sole discretion of Landlord.	No penetrations without Landlord's prior written approval.	
Roof rain-gutters and downspouts	Major repair and replace as required.	General preventive maintenance, repair and replacement where required.	
Interior - Finish-out			
Interior Doors	Major repairs and replacement when required at sole discretion of Landlord.	General preventive maintenance, repair and replacement where required.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for

	Landlord	Tenant	Comment
			by Tenant.
All Interior and Exterior door locks (electronic or keyed)	Any lock changes or lock system changes must be approved by Landlord in advance. Maintain copies of access keys provided by Tenant. Landlord must be given 24-hour access to building due to fire alarm system and reset.	General preventive maintenance, repair and replacement where required. Copies of access keys to be provided to Landlord with instruction and codes provided for any electronic locking systems.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Office/shop space flooring and floor cover	Major repairs and replacement at sole discretion of Landlord.	Major repair and replacement with Landlord's prior consent. General preventive maintenance, cleaning of all floor surfaces (carpet, tile and tile grout…) repair and replacement where required.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Painting Interior – Office and shop space		Repainting like existing condition. Major change in color, texture and material must be with Landlord's prior written consent. General preventive maintenance, cleaning, repair and replacement where required.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Painting Interior – Hangar space	Repainting like existing condition at sole discretion of the Landlord.	Any change in color, texture and material must be with Landlord's prior written consent. General preventive maintenance, cleaning, repair and replacement where required.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Walls & Ceilings	Major repairs and replacement at sole discretion of Landlord.	Repainting or repairing like existing condition. Major change in color, texture and material must be with Landlord's prior written consent. General preventive maintenance, cleaning, repair and replacement where required. Applicable to office area only.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.

	Landlord	Tenant	Comment
Building Systems			
Air Compressor		Tenant's full responsibility.	
Electrical Systems	Major repairs, replacement or modifications at sole discretion of Landlord. General maintenance and repair.	Replacement or material change only with Landlord's prior written consent. Inform Landlord of any electrical issues or needed modifications.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Hangar Door Motors	General maintenance and repairs and replacement at sole discretion of Landlord. General preventive maintenance and basic service.	Replacement or material change only with Landlord's prior written consent.	
Exterior Lighting & maintenance	Major repairs and replacement at sole discretion of Landlord. Landlord to replace bulbs as necessary.	Replacement or material change only with Landlord's prior written consent.	
Office and interior lighting	Major repairs and replacement of fixtures at sole discretion of Landlord.	Tenant to replace bulbs and lamps as necessary with similar bulb and lamp types.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Hangar light repair and replacement	Major repairs and replacement at sole discretion of Landlord.	Replacement or material change only with Landlord's prior written consent. Tenant to replace bulbs as necessary.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
HVAC	Major repairs and replacement at sole discretion of Landlord. Filter changes and major repair of equipment.	General maintenance and repair. Replacement or material change only with Landlord's prior written consent. Examples of general maintenance and repair are; routine services, preventive maintenance, thermostat battery replacement and	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for

	Landlord	Tenant	Comment
		additional refrigerant as needed.	by Tenant.
Window a/c units if any	Major repairs and replacement at sole discretion of Landlord.	General maintenance and repair. Replacement or material change only with Landlord's prior written consent.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Plumbing systems	Major repairs and replacement at sole discretion of Landlord.	General maintenance and repair. Replacement or material change only with Landlord's prior written consent.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Water heater	Replacement at Landlord's sole discretion.	General maintenance and repair. Replacement with Landlord's prior written consent.	
Storm water drains	Major repairs and replacement and general maintenance.	Damage caused by or resulting from acts of Tenant, Tenant's employees, guests or invitees shall be paid for by Tenant.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Grease Traps	Landlord to have inspected and serviced upon tenant move-in.	Tenant's full responsibility.	If any
Fire Alarm Systems		Tenant to perform day-to-day minor maintenance and notify landlord or any known conditions needing attention. Tenant shall not obstruct, alter, impair, or prevent, in any way, the efficiency of fire alarm systems. Tenant to maintain and monitor and provide routine inspections.	The active alarm monitoring and inspections are shared expenses with 4551 & 4553 Glenn Curtiss Drive and treated by landlord as a shared pass-thru expense on a 50%/50% basis.

	Landlord	Tenant	Comment
Tapping into Fire Main for fire suppression systems	Must be approved by Landlord in advance.	Tenant's full responsibility with Landlord's prior written consent.	
Fire Extinguishers		Tenant's full responsibility to supply and maintain required fire extinguishers to meet all applicable fire and building codes. Tenant is responsible for all periodic inspections of fire extinguishers to meet all applicable fire and building codes	

Resolution Exhibit B

CONVENTIONAL HANGAR LEASE EARLY TERMINATION AGREEMENT

(4570 Claire Chennault Drive, Addison, Texas)

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This Conventional Hangar Lease Early Termination Agreement (hereinafter referred to as the "Agreement") is entered into on this _____ day of _____, 2023 (the "Effective Date") between the Town of Addison, Texas (hereinafter referred to as the "City" or "Landlord"); a Texas home-rule municipality, and Jani-King International, Inc., a Texas corporation ("Tenant"). (Landlord and Tenant are sometimes referred to together herein as the "parties" and individually as a "party.")

Recitals

WHEREAS, Landlord and Tenant first entered into that certain Conventional Hangar Lease For Commercial Aviation Use dated and made effective September 16, 2021, by the terms of which certain real property located at 4570 Claire Chennault Drive at Addison Airport, within the Town of Addison, Texas, was leased to Tenant (the "4570 Claire Chennault Lease").

WHEREAS, Landlord and Tenant entered into a second and separate Conventional Hangar Lease For Commercial Aviation Use dated and made effective the same date, September 16, 2021, by the terms of which certain real property located at 4572 Claire Chennault Drive at Addison Airport. within the Town of Addison, Texas was also leased to Tenant (the "4572 Claire Chennault Lease").

WHEREAS, Landlord and Tenant desire to early terminate the 4570 Claire Chennault Lease while simultaneously and without interruption consolidating and merging the two City-owned properties under one lease agreement by way of executing a First Amendment to Conventional Hangar Lease For Commercial Aviation Use amending the 4572 Claire Chennault Lease (the "Surviving Lease").

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

Section 1. Incorporation of Premises. The above and foregoing premises are true and correct and are incorporated herein and made a part of this Agreement for all purposes.

Section 2. **Termination.** Landlord and Tenant agree that, subject to the parties entering into and executing that certain First Amendment to Conventional Hangar Lease For Commercial Aviation Use amending the 4572 Claire Chennault Lease/.Surviving Lease, the 4570 Claire Chennault Lease shall terminate upon the Effective Date of the Surviving Lease, as modified by its First Amendment (the "Termination Date"). In the event the First Amendment to the Surviving Lease is not agreed to and executed by the authorized representatives of both parties on or before March 30, 2023, this Agreement shall be null and void *ab initio*, shall have no force or effect whatsoever, and the 4570 Claire Chennault Lease shall remain in full force and effect. The early termination of the 4570 Claire Chennault Lease shall not release Tenant from any of its obligations, duties, liabilities, or responsibilities Tenant would have otherwise been required to meet if the 4570 Claire Chennault Lease had been otherwise terminated or had expired in accordance with the terms and provisions thereof.

Section 3. **Continued Performance.** Landlord and Tenant agree that each shall continue to perform their respective obligations contained in the 4570 Claire Chennault Lease including, but not limited to, Tenant's obligation to pay rent through the Termination Date. If the Termination Date is other than the last day of the month, the parties agree that the rent attributable to that part of the month through the Termination Date shall be prorated on a per-diem basis.

Section 4. **Binding Effect.** This Agreement shall be for the benefit of, and shall be binding upon, the parties hereto and their respective heirs, executors, administrators, successors, and assigns (as the same may be permitted by the 4570 Claire Chennault Lease, Section 50).

Section 5. **Applicable Law; Venue; Recording.** 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 hereto 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; and all obligations of the parties created by this Agreement are performable in Dallas County, Texas. Venue for any action under this Agreement shall be in Dallas County, Texas.

Section 6. **Final Agreement; No Other Amendments.** This Agreement shall constitute the final agreement and understanding of the parties on the subject matter hereof and may only be modified by further written instrument executed by both parties. Except to the extent modified or amended herein or by the terms set forth in the Surviving Lease, as modified by its First Amendment only upon execution, all other terms, conditions, standards, and obligations of the 4570 Claire Chennault Lease shall remain unchanged and in full force and effect.

Section 7. **Authority to Execute.** 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, 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.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Effective Date first given above.

TENANT:	**LANDLORD:**
Jani-King International, Inc.	Town of Addison, Texas
By: _____ James Cavanaugh, CEO & President	By: _____ David Gaines, City Manager
Date: 1/30/2023	Date: _____

Exhibit "A"

LEGAL DESCRIPTION
4570 Claire Chennault. Addison. Texas

BEING A TRACT OF LAND SITUATED IN THE WILLIAM LOMAX SURVEY, ABSTRACT 792 DALLAS COUNTY, TEXAS AND LOCATED ON ADDISON MUNICIPAL AIRPORT, ADDISON, TEXAS, AND BEING MORE FULLY DESCRIBED AS FOLLOWS:

BEGIN AT A POINT FOR THE INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF ADDISON ROAD, A 60 FOOT STREET, AND THE SOUTH RIGHT-OF-WAY LINE OF WESTGROVE ROAD A 60 FOOT STREET:

THENCE S 89° 54' 46" W along the south line of said Westgrove Road a distance of 730.00 feet to a point in the centerline of Claire Chennault Road (an undedicated 60 foot street);

THENCE S 00° 05' 14" E along the centerline of Claire Chennault Road, projected, a distance of 301.36' to an angle point;

THENCE S 43° 24' 39" W along the centerline of Claire Chennault Road, projected, a distance of 1,137.54' to an angle point;

THENCE S 46° 35' 21" E to the southerly Right-Of Way line of Claire Chennault Road a distance of 25.92 feet to an iron rod set for the Beginning Point of this description;

THENCE along the southerly Right-Of-Way line of said road with a curve to the left having a chord bearing of N 50° 56' 14" E, central angle of 3° 50' 18", radius of 301.107 feet, and length of 20.17 feet to an iron rod set for corner;

THENCE S 46° 35' 21" E a distance of 176.44' to an iron rod set for corner;

THENCE N 43° 24' 39" E a distance of 215.00 feet to an iron rod set for corner;

THENCE S 46° 35' 21" E a distance of 175.00 feet to an iron rod set in the north Right-of-Way line of the taxiway (120 feet wide) for corner;

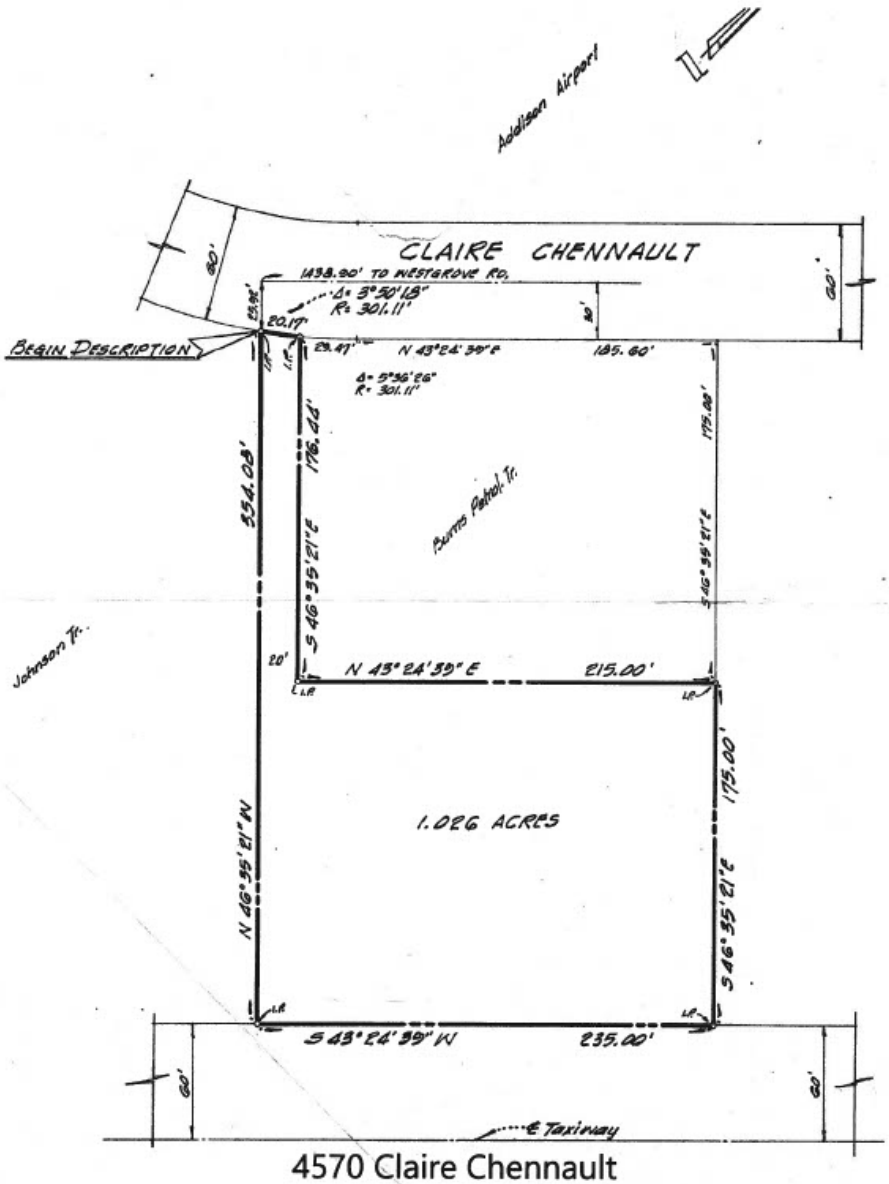
THENCE S 43° 24' 39" W along the northerly Right-of-Way line of said taxiway a distance of 235.00' to an iron rod set for corner;

THENCE N 46° 35' 21" W a distance of 354.08 feet to the Beginning Point and containing 1.026 acres of land more or less.

15 April 1981
Date

Joe T. Millican
Riewe and Wischmeyer

STATE OF TEXAS
JOE T. MILLICAN
3426
REGISTERED
PUBLIC SURVEYOR



4570 Claire Chennault

STATE OF TEXAS §
§
COUNTY OF DALLAS §

ADDISON AIRPORT

CONVENTIONAL HANGAR LEASE
FOR COMMERCIAL AVIATION USE

This Addison Airport Conventional Hangar Lease For Commercial Aviation Use (hereinafter referred to as the "Hangar Lease," "Lease," or "Agreement") is made and entered into this 16th day of September, 2021 (the "Effective Date"), by and between the **Town of Addison, Texas**, a home-rule municipality (hereinafter referred to as the "City" or "Landlord") and **Jani-King International, Inc.**, a Texas corporation ("Tenant"); Landlord and Tenant are sometimes referred to herein together as the "parties" and individually as a "party".

WITNESSETH:

WHEREAS, Landlord is the owner of the Addison Airport (hereinafter referred to as the "Airport") located in Dallas County, Texas; and

WHEREAS, the Airport is operated and managed for and on behalf of the City by the Airport Manager (hereinafter referred to as "Airport Manager" or "Manager"); and

WHEREAS, as of the Effective Date first given above, Jani-King, International Inc. owns the leasehold interests of the Premises (defined hereinbelow) subject to a certain ground lease, which commenced November 30, 1981, by and between Folsom Investments, Inc., a Texas corporation, and Max Williams, as tenant, and Addison Airport of Texas, Inc. and the City of Addison, and thereafter assigned to Jani-King International, Inc. on or about May 20, 1991 ("Ground Lease"); and

WHEREAS, the Ground Lease is due to expire November 29, 2021, and upon its expiration, pursuant to Section 26 of the Ground Lease, the ownership and title to all building improvements made to the Demised Premises shall merge with the real property and become solely the property of the City, free and clear of all claims, liens, and encumbrances; and

WHEREAS, immediately upon the expiration of the Ground Lease, without interruption, Tenant desires to lease and continue to occupy that certain hangar located within the Airport known as Bldg. #U3 with the public address known as 4570 Claire Chennault Drive, Addison, Texas 75001 (hereinafter referred to as the "Premises" and more fully described in **Exhibits "A" and "B"** attached hereto and made a part hereof) and Landlord desires to lease the same to Tenant for the Term as defined below; and

WHEREAS, Landlord and Tenant hereby agree to enter this Hangar Lease under the terms and conditions set forth hereinbelow.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, Landlord and Tenant hereby agree as follows:

1. Lease Grant. Subject to the terms of this Lease, Landlord leases the Premises to Tenant, and Tenant leases the Premises from Landlord.

This Hangar Lease is given and entered into subject to (i) all federal, state, and local laws, statutes, constitutional provisions, charters (including the City Charter), ordinances, codes (including building and building-related codes), rules, regulations, directives, policies, permits, standards, zoning requirements, orders, grant assurances, grant agreements, court orders, opinions and decisions, and all interpretations of the foregoing, of and/or by any governmental authority, entity, department, branch, 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, and any successor entities thereto), that are applicable, imposed upon, or related to, whether directly or indirectly, this Lease, the Airport, the Premises, and the use and occupancy thereof, as the same are existing or as they may be amended, modified, enacted,

adopted, imposed, or superseded, and including, without limitation, any and all grant agreements or grant assurances now existing or as hereafter agreed to, adopted or imposed (collectively, "Laws," and "Law" means any of the foregoing), (ii) all restrictive covenants affecting the Premises, (iii) all restrictions, mortgages, deeds of trust, liens, easements, licenses, leases, and any other encumbrance on or matter affecting the Premises, whether recorded or not, and (iv) and all of the terms, conditions, and provisions of this Hangar Lease.

2. Term: The Term hereof shall commence November 30, 2021 ("Commencement Date") immediately upon the expiration of the Ground Lease without interruption, and shall end on November 30, 2024, unless otherwise terminated as provided for herein (the "Term").

A. Effective December 1, 2023, or any time thereafter, either party may terminate this Lease by providing at lease a six-month advance written Move-Out Notice to the other party. Such Lease termination shall be effective the last day of the sixth full calendar month following the delivery of the Move-Out Notice as required by under Paragraph 52 below.

B. For the purposes of this Lease, the term "month" means a period extending from a date in any one calendar month to the date immediately preceding the corresponding date in the following calendar month, both dates inclusive. The term "calendar month" means a period extending from the first day to the last day, both days inclusive, of any one of the 12 calendar months of the year.

3. Rental & Security Deposit:

A. **Base Rent:** Tenant agrees to pay to Landlord without notice, demand, offset, or deduction, an annual Base Rent of $93,771.96, payable in monthly installments of $7,814.33. The first such monthly installment shall be due and payable on or before December 1, 2021, and each monthly installment thereafter shall be due and payable on or before the first day of each calendar month throughout the Term.

B. **Prorated Rent**: If the Commencement Date is on a day other than the first day of a month, Tenant will pay Landlord a prorated amount of Base Rent equal to the product of the monthly installment of Base Rent multiplied by a fraction, the (i) numerator of which is the number of days from (and including) the Commencement Date through (and including) the last day of the month that includes the Commencement Date and the (ii) denominator of which is the number of days in that month. The prorated portion of the Base Rent is due on or before the Commencement Date. Payment of Base Rent for any fractional calendar month at the end of the Term shall be similarly prorated.

C. **Additional Rent**: In addition to the Base Rent, Tenant will pay Landlord, as Additional Rent, the amounts set forth in the Utility Expense Reimbursement Addendum attached hereto and incorporated herein as **Exhibit D**.

D. **Rent**: For purposes of this Lease, "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 non-payment of any Rent as for non-payment of Base Rent. The obligations of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations.

E. **Place of Payment**: Tenant shall deliver all amounts due Landlord under this Lease to the following address or to such other person or place as Landlord may designate in writing:

Addison Airport
c/o Asst. Airport Director – Real Estate
4545 Jimmy Doolittle Drive, Suite 200
Addison, Texas 75001

F. **Method of Payment**: Tenant must pay all Rent timely and without demand, notice, deduction, or offset, except as required by Law or as otherwise provided by this Lease. Tenant shall make payment of all Rent owed by personal or corporate check made payable to "Addison Airport" (or by credit card, electronic transfer or ACH (Automatic Clearing House), if acceptable to Landlord). Cash is not an acceptable form of payment of Rent. If Tenant

fails to timely pay any amounts due under this Lease, or if any check of Tenant is returned to Landlord by the institution on which it was drawn for insufficient funds or for any other reason, or if Tenant's credit card is denied more than three times in any twelve-month period (if Landlord authorizes payment by credit card), Landlord, after providing written notice to Tenant, may require Tenant to pay subsequent amounts that become due under this Lease by cashier's check or money order only. Rent, and any other sums or amounts to be paid by Tenant to Landlord under this Lease, shall be deemed to have been paid when Landlord has received the negotiable payment.

G. **Late Charges**: If Landlord does not actually receive payment of Rent or any other sums due at the designated place of payment within ten (10) days after the date it is due, Tenant shall pay to Landlord a Late Charge equal to 5% of the amount due to reimburse Landlord for Landlord's cost and inconvenience incurred because of Tenant's delinquency. The Late Charge is a cost associated with the collection of Rent and Landlord's acceptance of a Late Charge does not waive Landlord's right to exercise its rights and remedies, including those under Paragraph 24 (Remedies of Landlord) herein.

If Tenant fails to pay (i) any monthly installment of Base Rent due under this Lease by the 10th day of the month when due, or (ii) or any other component of Rent within 10 days after the same is due as specified in this Lease, more than once in any consecutive three (3) month period, Tenant, upon the delivery of written notice to Tenant by Landlord ("Additional Deposit Notice"), shall pay to Landlord an amount equal to the then-current monthly installment of Base Rent (the "Additional Deposit") to be held and applied by Landlord as an addition to the Security Deposit delivered by Tenant and held on account by Landlord upon Tenant's execution of this Lease pursuant to subparagraph 3.H, below. Landlord's requirement of any Additional Deposit shall be in addition to all other rights and remedies available to Landlord under this Lease. If Tenant does not deliver the Additional Deposit to Landlord within ten (10) days after the delivery of the Additional Deposit Notice, such failure shall be an event of default under this Lease.

H. **Security Deposit:** Tenant shall deposit with Landlord, upon Tenant's execution of this Lease, the sum of $7,814.33, to be held by Landlord as Tenant's "Security Deposit." Such Security Deposit shall be equal to one monthly installment of Base Rent unless otherwise adjusted as provided for in 3.G. above.

1. If at any time during this Agreement the Security Deposit then held on account by Landlord becomes less than the prevailing monthly installment of Base Rent, Tenant will make an additional payment to Landlord so that the Security Deposit held by Landlord is increased to equal one monthly installment of Base Rent, unless otherwise adjusted as provided for in 3.G. above.

2. Landlord shall hold such Security Deposit without interest as security for the performance by Tenant of Tenant's covenants and obligations under this Lease. Landlord may commingle the Security Deposit with Landlord's other funds, and no trust relationship is created with respect to the Security Deposit. Tenant shall not assign, otherwise transfer, or encumber or attempt to assign, otherwise transfer, or encumber the Security Deposit, and Landlord and its successors and assigns shall not be bound by any actual or attempted assignment, other transfer, or encumbrance. Regardless of any assignment, other transfer, or encumbrance of the Security Deposit by Tenant, Landlord may return the Security Deposit to the Tenant.

3. The Security Deposit is not an advance payment of Rent or a measure of liquidated damages in case of default by Tenant. Upon the occurrence of any event of default, Landlord may, from time to time, without prejudice to any other remedy provided herein or provided by Law, use the Security Deposit to the extent necessary to make good any arrearages of Rent and any other damage, injury, expense, or liability caused to Landlord by such event of default. Following any such application of the Security Deposit, Tenant shall pay to Landlord, on demand, the amount so applied to fully restore the Security Deposit to its required amount.

4. If Tenant is not then in default hereunder, such Security Deposit, less any lawful deductions by Landlord, shall be returned by Landlord to Tenant with an accounting of said deductions taken no later than thirty (30) days following the termination or expiration of this Hangar Lease. Permitted deductions from the Security Deposit may include but not be limited to: unpaid Base Rent; unpaid utility charges incurred by Tenant; unpaid service charges; damages by Tenant to the Premises (beyond normal wear and tear) or repairs by Landlord; replacement cost of Landlord's property that was in or attached to the Premises and is missing; cost to replace unreturned keys; agreed reletting charges; Landlord's cost of cleaning the Premises to a broom-swept condition if required; Landlord's cost of removal of any trash or debris left in the Premises; Landlord's cost of the removal and storage of Tenant's personal property left or abandoned by Tenant or otherwise disposed of by Landlord; Landlord's cost of removal of unauthorized vehicles or aircraft left on the Premises;

government fees or fines against Landlord because of Tenant; late fees and other costs of collection incurred by Landlord in connection with this Lease; interest that would have been earned by Landlord on unpaid balances; attorneys' fees, court costs and filing fees.

4. Adjustment of Rental: Effective on each anniversary of the Commencement Date and each anniversary thereafter over the Term (hereinafter referred to as the "Adjustment Date"), the Base Rent due under Paragraph 3.A above shall be adjusted as follows:

A. The Base Rent shall be adjusted to reflect changes in the Consumers' Price Index - All Items for Dallas-Fort Worth, Texas (hereinafter referred to as the "Consumer Price Index"), as quoted in the publication *Consumer Price Index - All Urban Consumers (CPI-U)* for the Dallas-Fort Worth, Texas area which is issued by the U.S. Department of Labor, Bureau of Labor Statistics. The base index is the Consumer Price Index existing on the Commencement Date ("Base Index"). The current index is the Consumer Price Index on the first day of the calendar month preceding the then applicable Adjustment Date (the "Current Index").

B. Beginning with the year that includes the then applicable Adjustment Date, the Base Rent shall be adjusted so that it equals the product of the Base Rent during the first year of this Lease multiplied by a fraction, the numerator of which is the Current Index and the denominator of which is the Base Index, but in no event shall Base Rent ever be decreased below the Base Rent set forth in Paragraph 3.A.

C. If 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.

5. Permitted Use of Premises: The Premises shall be used and occupied by Tenant only for Commercial Aviation Use limited to the following ("Permitted Use"):

A. Tenant's use of the Premises shall be limited to the storage of aircraft owned by, or under the direct care, custody, and operational control (as the term is recognized by the FAA) of the Tenant and related aeronautical tools, equipment, parts, and supplies and for no other purpose without the Landlord's prior written consent.

B. Light maintenance, repair, and restoration of Tenant's aircraft.

C. To operate a non-profit 501(c)(3) educational organization devoted to promoting aviation studies, aviation history, and the display of historically significant, vintage aircraft and materials related to the history of aviation.

D. To operate as an event venue for various public and/or private events for hire, subject to the prevailing Airport Rules & Regulations and Town of Addison Code of Ordinances including, but not limited to, the timely application and issuance of an Airport Special Events Permit when required

E. To operate and offer to the public for-hire Living History Flight Experiences (LHFE) and to conduct flight experiences under FAA 91.147 flight programs.

For purposes hereof, "Commercial Aviation Use" means the operation of a business enterprise providing aviation-related goods, services, or facilities for a commercial purpose (including, without limitation, any activity by the Tenant securing earning, income, compensation, [including exchange or barter of goods, and services], and/or profit from said activities, whether such objectives are accomplished). Tenant shall occupy and use the Premises only for the Permitted Use and shall comply with all Laws relating to the use, condition, access to, and occupancy of the Premises.

Any use or occupancy of the Premises other than for the purposes set forth above is not permitted at any time without the prior written consent of Landlord.

The Premises shall not be used or occupied for any concession for the sale or distribution of tobacco products, oil, gas, petroleum products or any activity of a similar character. Tenant agrees that no aircraft, vehicle or other equipment will be left unattended at any time outside the boundaries of the Premises or within any common area of the Airport ("common area" having the meaning set forth in Chapter 14 of the City's Code of Ordinances), including the safety areas, operating areas and/or non-obstruction areas of the Airport without the prior written consent of the Airport

Manager. Tenant further agrees to cooperate and coordinate with adjacent tenants and the Airport Manager, when necessary (as determined by Landlord), to facilitate and not to obstruct aircraft movement along nearby taxilanes, especially during periods of construction, maintenance, and repair of Airport facilities.

The Premises shall not be used for any purpose or activity that (i) constitutes a violation of any Laws; (ii) in Landlord's opinion, creates or would create a nuisance or waste or unreasonably disturb, annoy, or interfere with other tenants or users of the Airport; or (iii) increases insurance costs for Landlord.

Tenant acknowledges that Landlord is bound by, and this Lease is subject to, the terms and conditions of all Federal Aviation Administration, Texas Department of Transportation, 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 any way or manner that would cause Landlord to be in violation of any of the foregoing.

6. Acceptance of Premises: Tenant acknowledges that Tenant has fully inspected the Premises and accepts the Premises as suitable for the purposes for which the same are leased in their present condition, "**AS IS, WHERE IS, WITH ALL FAULTS AND PATENT AND LATENT DEFECTS**". Without limiting anything in the foregoing, **LANDLORD HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS, AND THERE ARE NO, REPRESENTATIONS, PROMISES, COVENANTS, AGREEMENTS, GUARANTYS OR WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, OF OR AS TO THE CONDITION, QUALITY, QUANTITY, SUITABILITY, MERCHANTABILITY, HABITABILITY OR FITNESS OF THE PREMISES FOR ANY PARTICULAR PURPOSE WHATSOEVER GIVEN IN CONNECTION WITH THIS LEASE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION REGARDING SOIL CONDITIONS, AVAILABILITY OF UTILITIES, DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS OR ANY OTHER LAWS.**

TENANT ALSO ACKNOWLEDGES AND AGREES THAT TENANT'S INSPECTION AND INVESTIGATION OF THE PREMISES HAVE BEEN ADEQUATE TO ENABLE TENANT TO MAKE TENANT'S OWN DETERMINATION WITH RESPECT TO THE SUITABILITY OR FITNESS OF THE PREMISES, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO SOIL CONDITIONS, AVAILABILITY OF UTILITIES, DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS, AND ANY OTHER LAWS.

TENANT ACKNOWLEDGES THAT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS PARAGRAPH 6 ARE AN INTEGRAL PORTION OF THIS LEASE AND THAT LANDLORD WOULD NOT AGREE TO LEASE THE PREMISES TO TENANT AS SET FORTH HEREIN WITHOUT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS PARAGRAPH 6. 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 VISIBLE OR APPARENT FROM AN INSPECTION AFFECTING THE PREMISES.

7. Securing Governmental Approvals and Compliance with Law; Noise Abatement:

A. Tenant, at Tenant's sole cost and expense, shall obtain all governmental licenses, permits and approvals required for the use and occupancy of the Premises, as set forth in Paragraph 5 above, including but not limited to the issuance of a valid Certificate of Occupancy prior to Tenant occupying the Premises pursuant to Paragraph 44 hereinbelow.

B. Tenant shall promptly comply with all governmental orders and directives and all other Laws for the correction, prevention and abatement of nuisances caused by Tenant and arising out of the use and occupancy of the Premises, as set forth in Paragraph 5 above.

C. Tenant shall comply with noise abatement standards at the Airport and shall notify any aircraft operator using the Premises of such standards.

8. Assignment and Subletting:

A. Without the prior written consent of Landlord, Tenant shall have no power to and shall not, either voluntarily or involuntarily, by operation of law or otherwise, assign, sell, pledge, encumber, mortgage, license, transfer, or otherwise convey (together, "assign" or "assignment," and any person or entity to whom an assignment is made being an "assignee") this Lease or any rights or obligations of Tenant hereunder, or sublet the whole or any part of the Premises. Any such assignment or any subletting, without the prior written consent of Landlord, shall be null and void and may be deemed by Landlord (in Landlord's sole discretion) an event of default under Paragraph 23 (Default by Tenant) of this Lease. For the purposes hereof, an assignment will be deemed to have also occurred if the person(s) who owns or has voting control of 51% or more of Tenant on the Effective Date of this Hangar Lease ceases to own or have voting control of 51% or more of Tenant at any time during the term of the Hangar Lease. From time to time as requested by Landlord, Tenant shall provide to Landlord, in a form acceptable to Landlord, a written certification as to the ownership of voting securities or voting control of Subtenant. For the 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 or partnership interests, by contract, or otherwise.

Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of Paragraph 5 pertaining to the use of the Premises. In the event of any Landlord-approved assignment or subletting, Tenant shall not assign this Lease or sublet the Premises without first obtaining a written agreement from each such assignee or sublessee whereby each such assignee or sublessee agrees to be bound by the terms and provisions of this Hangar Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the Premises are assigned or sublet, Landlord, in addition to any other 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 waive its rights or remedies, and it will not stop Landlord from exercising its rights or remedies, with respect to any other actual or proposed assignment or subletting, and Landlord's consent to any assignment or subletting will not relieve Tenant or any guarantor of Tenant hereunder 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 Premises for the purpose of renting hangar space for aircraft storage only, provided that each sublease is 1) made available for Landlord's review and inspection during Tenant's normal business hours upon Landlord's written request, and 2) evidenced by written agreement, signed, and executed by Tenant and the subtenant, and has incorporated therein and fairly states that:

1. each subtenant agrees to be bound by the terms and provisions of this Hangar Lease, including the provisions of Paragraph 5 pertaining to the use of the Premises. In the event of any conflict between the terms of this Hangar Lease and the terms of the sublease, the terms of the Hangar Lease shall control;

2. no such subletting shall constitute a novation.

3. in the event of occurrence of an event of default while the Premises are sublet, Landlord, in addition to any other rights or remedies provided herein or by Law, in equity, or otherwise, 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 under this Lease;

4. subtenant shall be obligated to obtain Landlord's consent to any action as to which Tenant is obligated to obtain such consent under this Hangar Lease;

5. any such sublease is to automatically terminate upon termination of this Hangar Lease notwithstanding any other provision of the sublease to the contrary;

6. Landlord shall have no responsibility or obligation for the performance by subtenant of its obligations under the sublease; and

7. neither this consent, the exercise by Landlord of its rights and/or remedies hereunder, nor the sublease or any other instrument shall give subtenant 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 subtenant.

Further, Tenant agrees that in no way does any sublease release Tenant from any of its covenants, agreements, liabilities and duties under this Hangar 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 under this Hangar Lease; that Tenant shall remain fully liable for the performance of each and every term, provision, covenant, duty and obligation of the Tenant under this Hangar Lease including, without limitation, the duty to make any and all payments of Rent. Any violation of any terms and conditions of this Hangar Lease by a subtenant will constitute a default by Tenant under this Hangar Lease.

Upon Landlord's written request, Tenant shall provide to Landlord the names and addresses of any subtenants, and the make, model, aircraft type and "N" number of any aircraft stored or located on or in the Premises by Tenant or any subtenant.

9. Property Taxes and Assessments: Tenant shall pay, before they become delinquent, all property taxes or assessments, and any other governmental charges, fees, or expenses, levied or assessed on: (i) all improvements, fixtures, equipment or personal property comprising a part of or located upon the Premises; and (ii), the leasehold estate of Tenant created hereby (hereinafter referred to as "Tenant's Taxes"). Upon the request of Landlord, Tenant shall, from time to time, furnish to Landlord "paid receipts" or other written evidence that all of Tenant's Taxes have been paid by Tenant. If any of Tenant's Taxes are included in tax notices and, or statements delivered to Landlord, Tenant has the right to legally protest or appeal, as provided for by Law, any tax levy or assessment of Tenant's Taxes provided Landlord has not already filed or does not intend to file such protest or appeal of (i) the appropriateness of such tax and, or (ii) the taxable value as assessed by the respective taxing authority. If any of Tenant's Taxes are included in tax statements delivered to Landlord, Tenant shall pay to Landlord that portion representing Tenant's Taxes within ten (10) days after Tenant's receipt of an invoice from Landlord accompanied by evidence of Landlord's computation of the portion thereof representing Tenant's Taxes. In the event Tenant fails to pay any Tenant's Taxes, Landlord shall have the right (but not the obligation) to pay or cause to be paid such Tenant's Taxes, and the costs thereof expended by or caused to be expended by Landlord plus interest thereon as provided in Paragraph 40 of this Lease shall be paid by Tenant on demand.

10. Maintenance and Repair of Premises:

A. Landlord shall, throughout the term hereof, except as otherwise expressly provided in this Lease and so long as Tenant is not in default of this Agreement beyond any applicable cure period, be responsible for those areas, items and matters identified in the "Landlord" column as set forth in **Exhibit E** - Maintenance and Repair Responsibilities, which exhibit is attached hereto and incorporated herein by reference. Landlord shall not be responsible for Tenant or any third party's equipment, fixtures, or personal property comprising a part of or located upon the Premises.

B. Except as provided by subparagraph A. of this Paragraph 10, Tenant shall, to the Landlord's satisfaction, maintain the Premises in good order, condition, and repair throughout the term of this Lease including, but not limited to, those areas, items and matters identified under the "Tenant" column set forth in the attached Exhibit E to this Agreement. Tenant shall be responsible for any alterations, additions or improvements made by Tenant to the Premises and/or any improvements thereon or therein. Tenant shall, throughout the term hereof, be responsible for all consumable supplies and repair of plumbing and water damage caused because of Tenant's failure to reasonably protect water pipes from freezing temperatures or misuse by Tenant or by Tenant's owners, employees, agents, contractors, guests or invitees. Tenant shall be responsible for keeping the Premises free from waste and nuisance and shall, upon the expiration of the Lease Term, or any earlier termination of this Lease or any repossession of the Premises by Landlord, deliver the Premises clean and free of trash and in good condition and repair, with all fixtures and equipment situated in or upon the Premises in the same condition as same existed on the Commencement Date, with reasonable wear and tear excepted.

Notwithstanding anything in this Lease to the contrary, Tenant shall bear the risk of complying with the Americans with Disabilities Act of 1990, any other federal or any state laws governing access to the disabled, or architectural barriers, and all rules, regulations, and guidelines promulgated under such Laws, as amended from time to time, in or pertaining to the Premises.

C. In the event Tenant fails to so maintain or repair the Premises and/or the improvements, fixtures, equipment and personal property comprising a part of or located upon the Premises, and/or otherwise fails to comply

with any of the provisions of subparagraph B. or D. of this Paragraph or any other provision of this Lease requiring Tenant to maintain or repair the Premises or keep them in a particular condition, Landlord shall have the right (but not the obligation) to cause all such repairs or other maintenance or work to be made, and the reasonable costs therefor expended by Landlord plus interest thereon as provided in Paragraph 40 shall be paid by Tenant to Landlord on demand.

D. If Tenant handles or stores flammable materials on the Premises, Tenant agrees to maintain proper safeguards with respect thereto and to comply with all requirements of Landlord's and Tenant's insurance companies and/or governmental authorities with respect to the storage, use and disposal of such materials, and with all applicable Laws.

11. Alterations, Additions, and Improvements: Tenant shall not create any openings in the roof or exterior walls, or make any alterations, additions, or improvements to the Premises, without the prior written consent of Landlord. Landlord shall not unreasonably withhold its consent for non-structural alterations, additions, or improvements. Tenant shall have the right to erect or install shelves, bins, machinery, and trade fixtures, if Tenant complies with all applicable Laws in connection therewith. All alterations, additions, and improvements in and to the Premises shall be performed in accordance with the terms and provisions of this Lease, with all Laws, and in a first-class, workmanlike manner, and Tenant shall promptly pay and discharge all costs, expenses, claims for damages, liens and all other liabilities and obligations which arise in connection therewith.

12. Insurance:

A. Tenant shall procure and maintain throughout the Term, without interruption, a policy or policies of insurance, at Tenant's sole cost and expense, to meet or exceed the insurance requirements specified in the then prevailing Addison Airport Minimum Standards and Requirements for Commercial Aeronautical Service Providers (the "Airport Minimum Standards") which may be amended or modified by the City from time to time. At any time over the Term the Airport Minimum Standards are either suspended, repealed or otherwise modified to the extent Tenant's use and occupancy of the Premises no longer require such insurance policies under the Airport Minimum Standards, Tenant shall procure and maintain throughout the Term, without interruption, the following insurance policies:

1. Commercial General Liability insurance against claims for bodily injury, death or property damage or destruction occurring on, in or about the Premises, with limits of liability of not less than $1,000,000 for each occurrence, CSL/$1,000,000 general aggregate. Coverage shall include blanket contractual liability for liability assumed under this Lease.

2. Workers Compensation insurance and employer's liability with limits of liability of not less than $1,000,000.

3. Hangar keepers 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 any 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.

4. Aircraft Liability insurance for all Tenant-owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of $1,000,000 and $1,000,000 for personal and advertising injury.

B. All insurance policies required under this Paragraph 12 shall be endorsed to provide the following, as applicable: (i) in all liability policies, name as additional insureds the Town of Addison, Texas, and its respective officials, officers, agents, and employees; (ii) in all liability policies, provide that such policies are primary insurance regardless of the application of any other insurance available to the additional insureds, with respect to any claims arising out of activities conducted under this Lease, and that insurance applies separately to each insured against whom a claim is made or suit is brought; and (iii) a waiver of subrogation in favor of the Town of Addison, Texas, , and its respective officials, officers, agents, and employees, must be included in all liability and Workers Compensation policies. All such policies shall be issued by an insurance company authorized to do business in Texas and in the standard form approved by the Texas Department of Insurance, if required, and shall be endorsed to provide for at least 30 days' advance written notice to Landlord of a material change in, non-renewal, or cancellation of a policy. Certificates of insurance, satisfactory to Landlord, evidencing all coverage above, shall be furnished to Landlord prior to the Commencement Date, with

complete copies of policies furnished to the Landlord upon request. Landlord reserves the right to review and revise from time to time the types of insurance and limits of liability required herein.

13. Casualty Damage or Destruction:

A. In case of any damage to or destruction of the buildings, structures, fixtures and equipment, or any other improvements, on or at the Premises, or any part thereof, Tenant shall promptly give written notice thereof to Landlord, generally describing the nature and extent of such damage and/or destruction.

B. If the Premises (the hangar building or structure, excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any assignee, subtenant or other occupant of the Premises) should be substantially, totally, or partially destroyed or damaged by fire, tornado or other casualty, this Lease shall not terminate, but Landlord may, at Landlord's sole option and at Landlord's sole cost, expense and risk, proceed forthwith and use reasonable diligence to rebuild or repair the Premises (the hangar building or structure, but excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any permitted assignee, subtenant or other occupant or user of the Premises) to substantially the condition in which it existed prior to such destruction or damage; provided, however, that if Landlord elects not to rebuild or repair such damage or destruction and notifies Tenant in writing of such election, then this Lease shall terminate and rent shall be abated for the unexpired portion of this Lease, effective from the date of actual receipt by Landlord of the written notification of the damage or destruction from Tenant. If Landlord elects to rebuild or repair the Premises and the Premises are untenantable in whole or in part following such destruction or damage, during the period of such rebuilding or repair the Rent payable hereunder shall be equitably adjusted for that period during which the Premises are untenantable. However, if the destruction or damage was caused by the negligence, gross negligence, or willful or wanton act or omission of Tenant, or any of Tenant's officers, employees, agents, subtenants, licensees, contractors, subcontractors, or invitees, or any other person for whom Tenant is responsible, Rent shall not be abated and Tenant shall have the continuing obligation to pay Rent during the period of such rebuilding or repair.

If Landlord elects to rebuild or repair the Premises (the hangar building or structure) as set forth above, Tenant shall, immediately upon notice from Landlord, remove from the Premises its equipment and property as reasonably required by Landlord to complete such rebuilding or repair. Upon the completion of such rebuilding or repair, Tenant shall restore the Premises and Tenant's property and promptly reopen for business. Tenant shall use the proceeds from Tenant's insurance policies for restoration of improvements made by Tenant to the Premises, for restoration and/or replacement of Tenant's equipment, trade fixtures, and inventory, and to cover any business interruption loss.

C. Landlord's election to pay for the cost of the repair or rebuilding of the Premises (the hangar building or structure) or any part thereof may, at Landlord's option, not extend beyond or exceed the proceeds of any casualty or property damage insurance payable and collected in connection with such damage or destruction. All insurance proceeds, if any, payable on account of such damage or destruction shall be held and retained by Landlord (whether such repair or rebuilding occurs, or this Lease terminates).

14. Condemnation:

A. If, during the term hereof, any part of the Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, or is sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the Premises is not susceptible to efficient and economic occupation and operation by Tenant, this Lease shall automatically terminate as of the date said condemning authority takes possession of the Premises, and Landlord shall refund to Tenant any prepaid but unaccrued rental less any sum then owing by Tenant to Landlord.

B. If, after such taking by or sale to said condemning authority, the remainder of the Premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the Base Rent 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 Base Rent installment due hereunder (as adjusted from time to time pursuant to Paragraph 4, above) by a fraction, the numerator of which shall be the number of square feet remaining in the Premises after the taking by or sale to said condemning authority and the denominator of which shall be the square footage originally contained in the Premises. The Base Rent adjustment called for herein shall either not commence or be

suspended until said condemning authority takes possession of the condemned portion of the Premises. All other terms and provisions shall remain unchanged unless otherwise provided for herein.

C. Landlord shall receive the entire award or payment from any condemnation and Tenant shall have no claim to that award or for the value to Landlord of any unexpired term of this Lease; provided, however, that Tenant shall have the right to appear in any condemnation proceeding or action to negotiate, prosecute and adjust any claim attributable to loss or damage to Tenant's trade fixtures and removable personal property, removal or relocation costs, and any loss to Tenant resulting from the unexpired portion of the Lease Term. If this Lease is not terminated pursuant to subparagraph A of this Paragraph, Landlord shall repair damage to the Premises caused by the condemnation (excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any permitted assignee, subtenant or other occupant of the Premises), except that (i) Landlord shall not be obligated to repair any damage for which Tenant has been reimbursed by the condemning authority; and (ii) if the condemnation damages or payments received by Landlord are not sufficient to pay for such repair, Landlord shall have the right to terminate this Lease.

15. Utilities: Except where provided to the contrary below, Tenant shall be responsible, at Tenant's sole cost and expense, for obtaining all utility connections at or for the Premises and Tenant shall pay all charges for water, electricity, gas, sewer, telephone or any other utility connections, impact fees, tap-in fees and services furnished to the Premises during the term hereof. Tenant agrees to contact all utility service providers prior to any excavation or digging on the Premises or the premises in and around the Premises. Landlord shall in no event be liable or responsible for any cessation or interruption in any such utility services.

A. Notwithstanding the foregoing, Landlord and Tenant hereby acknowledge and agree to the terms and conditions contained in Exhibit D – Utility Expense Reimbursement Addendum attached hereto and incorporated herein by reference wherein it sets forth which utility services, if any, will be provided and paid for by the Landlord and subsequently reimbursed by Tenant upon demand.

B. If Tenant is the responsible party for obtaining any of the utility connections at or for the Premises, any access or alterations to the Premises or to the Airport necessary to obtain any of such utility connections may be made only with Landlord's prior consent and at Tenant's sole expense.

C. In the event Tenant fails to pay any utility or connection charges for which Tenant is responsible, Landlord shall have the right (but not the obligation) to pay or cause to be paid such charges, fees or expenses, incurred by Tenant and the costs thereof expended by or caused to be expended by Landlord plus interest thereon as provided in Paragraph 40 of this Lease shall be paid by Tenant upon written demand.

D. Prior to executing this Lease Tenant acknowledges that it has, at its sole costs and expense, determined that all necessary utilities are available to the Premises and are adequate for Tenant's intended commercial use, and that there are no other utility services needed or required by Tenant at the Premises in connection herewith.

E. Landlord shall in no event be liable or responsible for any cessation or interruption in any utility services to the Premises.

16. Common Facilities and Reciprocal Easement Agreement:

A. **Common Facilities:** So long as Tenant is not in default hereunder beyond any applicable cure period, Tenant and Tenant's owners, 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 at the Airport for the accommodation and convenience of Landlord's customers and tenants, including landing and takeoff facilities, means of ingress and egress to the Premises, other Airport installations, and all other reasonable services which may be provided without charge from time to time by Landlord in operating the Airport ("Common Facilities"). All such Common Facilities shall always be under the exclusive control and management of Landlord and may be rearranged, modified, changed, restricted, closed, or terminated from time to time at Landlord's sole discretion.

B. **Granting of Right of Way:** Given the existing aircraft ramp/apron configuration of the Premises and the abutting ramp/aprons associated with 4572, 4574, and 4576 Claire Chennault properties ("Adjacent Properties"),

Tenant, for itself and its successors and assigns, hereby grants a non-exclusive right-of-way easement to the owner, occupant and/or tenant (together with their guests and invitees) of the Adjacent Properties across and over a portion of the aircraft ramp/apron within the Premises expressly for the purpose of aircraft, vehicle, and pedestrian ingress and egress to and from their respective premises to the airport Common Facilities. The attached aerial attached hereto and incorporated by reference as **Exhibit "C"** depicts the proximity of the aircraft ramp/apron on the Premises subject to this Paragraph 16.B ("Shared Ramp"). Tenant (a) shall not leave unattended aircraft, vehicles, equipment, or other personal property on the Shared Ramp at any time with the exception of conducting proper pre- or post-flight operations on the shared ramp; (b) shall refrain from utilizing, encroaching, or otherwise interfering or obstructing the Adjacent Properties' aircraft ramp/apron except by express permission or by way of a reciprocal right-of-way easement similar hereto; and (c) agrees to be respectful of adjacent tenants' right of quiet use and enjoyment of their leased premises without interference by Tenant.

17. Special Events: Landlord may sponsor or hold certain special events, including, but not limited to, air shows and fireworks displays to be conducted on portions of the Airport, which may limit or obstruct access to the Premises and/or to the Airport ("Special Events"). As a material inducement to Landlord to enter this Lease, and notwithstanding anything to the contrary contained herein, Tenant, on behalf of Tenant and on behalf of all directors, officers, shareholders, partners, principals, employees, agents, contractors, subtenants, licensees or concessionaires of Tenant, and on behalf of any other party claiming any right to use the Leased Premises by, through or under Tenant, hereby: (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 Premises and/or to the Airport; (ii) releases, waives and discharges Landlord and Manager, and their respective officials, officers, employees and agents, from all liability for any loss, damage, cost, expense or claim arising or resulting from or pertaining to the limitation or obstruction of access to the Premises and/or to the Airport from the conduct of Special Events and/or activities relating or pertaining thereto, including, without limitation, death, injury to person or property or loss of business or revenue (the "Released Claims"); (iii) covenants not to sue the Landlord or Manager or their respective officials, officers, employees and agents (whether in their official or private capacities) for any Released Claims; (iv) agrees that the terms contained in this Paragraph are intended and shall be construed to be as broad and inclusive as possible under Law; and (v) agrees that if any portion of this Paragraph is held to be invalid or unenforceable, the remainder of this Paragraph shall not be affected thereby, but shall continue in full force and effect.

18. Rules and Regulations: Landlord has adopted the Airport Minimum Standards (as defined in Paragraph 12.A., above) and the "Addison Airport Rules and Regulations" (the "Rules and Regulations") which shall govern Tenant's use of and conduct on the Premises and all Common Facilities, a copy of which has been or will be furnished to Tenant. The Airport Minimum Standards and the Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant agrees to always comply fully with them. Landlord shall have and reserves the right, in its sole discretion, to discontinue, amend, modify and alter the Airport Minimum Standards and the Rules and Regulations from time to time, and to adopt other rules, standards, or regulations applicable to the Airport, the Premises and Tenant as Landlord may deem necessary or appropriate, in its sole discretion, including for the purpose of assuring the safety, welfare and convenience of Landlord, Tenant and all other tenants, users, and customers of the Airport.

19. Signs and Equipment: After first securing Landlord's approval, Tenant shall have the right from time to time to install signs depicting Tenant's name and to operate radio, communications, meteorological, aerial navigation and other equipment and facilities in or on the 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, and all changes to such Laws, including the Town of Addison's sign ordinance, with the Airport Minimum Standards and the Rules and Regulations, with all provisions of this Lease, 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).

20. Landlord's Right of Entry: Landlord and Landlord's authorized representatives shall have the right, during normal business hours, to enter the Premises: (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the Premises to any prospective tenant, purchaser, or lender, or (iv) for any other reasonable and lawful purpose. Landlord and Landlord's authorized representatives have the right to enter the Premises at any time in the event of an emergency pertaining to the Premises. 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 Premises customary signs advertising the Premises for lease.

21. Indemnity and Exculpation and Release:

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. TENANT AGREES TO AND SHALL FULLY DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO LANDLORD), INDEMNIFY AND HOLD HARMLESS (I) THE TOWN OF ADDISON, TEXAS, AND THE ELECTED OFFICIALS, THE 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 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, (I) ANY CONDITION OF THE 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 LEASE TERM (COLLECTIVELY, "TENANT PERSONS"), (II) ANY CONSTRUCTION ON OR REPAIR TO THE PREMISES, OR THE 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 DAMPNESS OR BY FIRE, EXPLOSION, FALLING PLASTER OR CEILING, (III) 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 OR GROSS 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.

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 PARAGRAPH 21) AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS (AS THE TERM "MANAGER PERSONS" IS DEFINED IN SUBPARAGRAPH B. OF THIS PARAGRAPH 21) 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 PARAGRAPH 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 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 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 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 PARAGRAPH 21 SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE AGREEMENT.

22. Environmental Compliance:

A. No Storage or Disposal: Tenant shall not install, store, use, treat, transport, discharge or dispose (or permit, allow, or acquiesce in the installation, storage, use, treatment, transportation, discharge or disposal by Tenant or by any Tenant Persons) on the 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 and Recovery Act (42 U.S.C. §6901 et seq., as amended or superseded), the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §9601 et seq., as amended or superseded), the Hazardous Materials Transportation Act (49 U.S.C. §5101 et seq., as amended or superseded), the Toxic Substances Control Act (15 U.S.C. §2601 et seq., as amended or superseded), the Clean Air Act (42 U.S.C. §7401 et seq., as amended or superseded), and/or the Clean Water Act (33 U.S.C. §1251 et seq., as amended or superseded) (and any regulations promulgated pursuant to the foregoing Laws), or any other federal, state, county, regional, local or other governmental Laws, or which, even if not so regulated may or could pose a hazard to the health and safety of the occupants of the 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 applicable Law; or (ii) in any manner which is prohibited or deemed unsafe under applicable Law. (The substances referred to in the foregoing (a), (b), (c) or (d) are collectively referred to hereinafter as "Hazardous Materials").

B. Cleanup Laws; Tenant's Indemnity Obligation:

1. Tenant shall, at Tenant's sole cost and expense, comply with any presently existing or hereafter enacted Laws (including all rules, standards, regulations, or policies relating to Hazardous Materials (collectively, "Cleanup Laws")). In furtherance and not in limitation of the foregoing, Tenant shall, at Tenant's sole cost and 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 Premises and/or any portion of the Common Facilities by (i) Tenant, or by (ii) 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/or their respective owners, directors, shareholders, partners, officers, managers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, and concessionaires, or by (iii) any 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 of this Lease, Tenant shall, at Tenant's own cost and 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 cost or 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 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.

2. **Tenant's Indemnity Obligation.** **WITHOUT LIMITING ANY OTHER INDEMNITY, HOLD HARMLESS, AND DEFENSE OBLIGATION OF TENANT SET FORTH IN THIS LEASE, TENANT AGREES TO AND SHALL FULLY DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO LANDLORD), INDEMNIFY, AND HOLD HARMLESS THE TOWN OF ADDISON, TEXAS AND ALL OTHER ADDISON PERSONS (AS THE TERM "ADDISON PERSONS" IS DEFINED IN SUBPARAGRAPH B OF PARAGRAPH 21, ABOVE), AND THE MANAGER PERSONS (AS THE TERM "MANAGER PERSONS" IS DEFINED IN SUBPARAGRAPH B OF PARAGRAPH 21, ABOVE), FROM AND AGAINST, AND REIMBURSE THE TOWN OF ADDISON, TEXAS, ALL OTHER ADDISON PERSONS, THE AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS (AS THE CASE MAY BE) FOR, ANY AND ALL OBLIGATIONS, DAMAGES, INJUNCTIONS, FINES, PENALTIES, DEMANDS, CLAIMS, COSTS, FEES, CHARGES, EXPENSES, ACTIONS, CAUSES OF ACTION, JUDGMENTS, LIABILITIES, SUITS, PROCEEDINGS, HARM, AND LOSSES OF WHATEVER KIND OR NATURE (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COURT COSTS), AND ALL CLEANUP OR REMOVAL COSTS AND ALL ACTIONS OF ANY KIND, MADE UPON, INCURRED BY, SUFFERED BY, OR ASSERTED AGAINST ANY ADDISON PERSON OR ANY MANAGER PERSON OR THE PREMISES, WHETHER DIRECTLY OR INDIRECTLY, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE INSTALLATION, STORAGE, USE, TREATMENT, TRANSPORTING, DISPOSAL OR DISCHARGE OF HAZARDOUS MATERIALS IN, ON, UNDER, ABOVE, OR TO THE PREMISES AND/OR ANY PORTION OF THE COMMON FACILITIES OR ANY PORTION OF THE AIRPORT OR ADJACENT PROPERTIES BY TENANT OR BY ANY TENANT PERSONS (AS THE TERM "TENANT PERSONS" IS DEFINED IN SUBPARAGRAPH B OF PARAGRAPH 21, ABOVE); AND FROM ALL FINES, PENALTIES, SUITS, JUDGMENTS, PROCEDURES, PROCEEDINGS, CLAIMS, ACTIONS, AND CAUSES OF ACTION OF ANY KIND WHATSOEVER ARISING OUT OF TENANT'S OR ANY OF TENANT PERSONS' FAILURE TO PROVIDE ALL INFORMATION, MAKE ALL SUBMISSIONS AND TAKE ALL STEPS REQUIRED BY THE AUTHORITY UNDER THE CLEANUP LAWS OR ANY OTHER LAW, RULES, REGULATION, STANDARD, ORDER, OR POLICY (ENVIRONMENTAL OR OTHERWISE). SUCH DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SHALL AND DOES INCLUDE DAMAGES ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSONS, THE AIRPORT MANAGER OR ANY OTHER MANAGER PERSONS, OR BY ANY ACT OR OMISSION OF OR BY THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSONS, THE AIRPORT MANAGER OR ANY OTHER MANAGER PERSONS THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.**

TENANT'S OBLIGATIONS AND LIABILITIES UNDER THIS SUBPARAGRAPH SHALL CONTINUE (AND SURVIVE THE TERMINATION OR EXPIRATION OF THIS LEASE) SO LONG AS THERE MAY BE HAZARDOUS MATERIALS AT THE PREMISES AND/OR ANY PORTION OF THE COMMON FACILITIES OR ANY PORTION OF THE AIRPORT OR ADJACENT PROPERTIES, THAT WERE INSTALLED, STORED, USED, TREATED, TRANSPORTED, DISPOSED OF OR DISCHARGED DURING THE LEASE TERM BY TENANT OR ANY OF TENANT PERSONS. IN ADDITION TO AND NOT IN LIMITATION OF LANDLORD'S OTHER RIGHTS AND REMEDIES, TENANT'S FAILURE TO ABIDE BY THE TERMS OF THIS PARAGRAPH 22 SHALL BE RESTRAINABLE BY INJUNCTION.

C. Environmental Notices: Tenant shall promptly supply Landlord and Airport Manager 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. Survival: Tenant's obligations and liability pursuant to the terms of this Paragraph 22 shall survive the expiration or earlier termination of this Lease.

23. Default by Tenant: Each of the following shall be deemed to be an event of default by Tenant under this Lease:

A. Failure of Tenant to pay any installment of Rent, or to pay or cause to be paid taxes (to the extent Tenant is obligated to pay or cause same to be paid), utilities, insurance premiums, 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 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), and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant.

C. Tenant shall fail to deliver the Additional Deposit to Landlord within ten (10) days after the delivery by Landlord to Tenant of the Additional Deposit Notice.

D. Tenant, or any guarantor of Tenant hereunder, (i) becomes or is declared insolvent according to any Law, (ii) makes a transfer in fraud of creditors according to any applicable Law, or (iii) assigns or conveys all or a substantial portion of its property for the benefit of creditors.

E. Tenant or any guarantor of Tenant hereunder, files a petition for relief, or is the subject of an order for relief, under the United States Bankruptcy Code, as amended, or any other present or future federal or state insolvency, bankruptcy, or similar Laws (collectively "Applicable Bankruptcy Law").

F. Appointment of a receiver or trustee for Tenant (or any guarantor of Tenant hereunder) or Tenant's (or any such guarantor's) property; or the interest of Tenant (or any such guarantor) under this Lease is levied on under execution or under other legal process; or any involuntary petition is filed against Tenant (or any such guarantor) under Applicable Bankruptcy Law (provided, however, that no action described in this subparagraph F. or in subparagraphs D. or E. shall constitute a default by Tenant if Tenant (or any guarantor of Tenant hereunder) shall vigorously contest the action by appropriate proceedings and shall remove, vacate or terminate the action within sixty (60) days after the date of its inception.).

G. Abandonment by Tenant of any substantial portion of the Premises or cessation of use of the Premises for the purposes leased.

H. Tenant is in default of any other lease or agreement with, or any permit or license issued by, the Town of Addison, Texas.

24. Remedies of Landlord: Upon the occurrence of any of the events of default listed in Paragraph 23, Landlord, without prejudice to any legal, equitable, or other (including contractual) right or remedy to which it may be entitled, shall have the option to pursue any one or more of the following remedies without notice or demand whatsoever (and using lawful force if necessary or appropriate after providing written notice thereof, if any is required):

A. Terminate this Lease or any of Tenant's rights under this Lease, with or without reentering or repossessing the Premises.

B. Terminate Tenant's right to occupy all or any part of the Premises without terminating this Lease and with or without reentering or repossessing the Premises.

C. Recover unpaid rent and any Breach Damages (as "Breach Damages" are defined in this Paragraph 24, below).

D. Change or pick the locks, access codes, or other access control devices, and take any other self-help or judicial action to exclude Tenant and other occupants from the Premises.

E. Remove and store (at Tenant's sole cost) any property on the Premises at Tenant's sole cost.

F. Sue for eviction, specific enforcement, equitable relief, rent, damages, or any other available remedy.

G. Apply the Security Deposit in any manner permitted by this Lease, and/or increase the amount of the Security Deposit.

H. Cure Tenant's default, and if Landlord so elects, Tenant must reimburse Landlord within thirty (30) days after Landlord delivers an invoice for the cure amounts paid or to be paid plus any reasonable expenses Landlord incurred effecting compliance with Tenant's obligations.

I. Withhold or suspend any payment that this Lease would otherwise require Landlord to make.

J. Charge interest on any amount not paid when due through the date of its payment at the Default Interest Rate (as set forth in Paragraph 40).

K. Recover, but only if Tenant fails to pay Rent and Landlord terminates this Lease or Tenant's right of possession with more than twelve (12) months remaining in the Term of this Lease, liquidated rental damages for the period after any such termination equal to twelve (12) times the monthly Rent due at the time of termination in lieu of any other contractual or legal measure of damages (including re-letting costs) for Tenant's non-payment of Rent, and the parties agree this is a reasonable estimate of Landlord's damages for such a breach given the uncertainty of future market rental rates and of the duration of any vacancy.

L. Exercise all other remedies available to Landlord at Law, in equity, or otherwise (including, without limitation, injunctive relief and any other remedy available under applicable Law).

For purposes of this Paragraph 24, "Breach Damages" means and includes, without limitation, all actual, incidental, and consequential damages, court costs, interest, and attorneys' fees arising from Tenant's breach or default of this Lease, including, without limitation, the cost to or incurred by Landlord of (a) recovering possession of the Premises, (b) removing and storing the property of Tenant and any other occupant or user of the Premises, (c) re-letting of the Premises (including, without limitation, the costs of brokerage commissions and cleaning, decorating, repairing, or altering the Premises for a substitute tenant or tenants), (d) collecting any money owed by Tenant or a substitute tenant, (e) repairing any damage to the Premises caused by any Tenant or other occupant or user of the Premises, (f) performing any obligation of Tenant under this Lease, (g) any other loss or cost reasonably incurred by Landlord as a result of, or arising from, Tenant's breach of this Lease or Landlord's exercise of its rights and remedies for such breach, (h) any contractual or liquidated type or measure of damages, including but not limited to Rental Deficiency as such is defined below; and (i) any other type or measure of damages recoverable for any particular breach under applicable Law.

For purposes of this Paragraph 24, "Rental Deficiency" means a contractual measure of Breach Damages for Tenant's non-payment of Rent measured by either the (a) actual Rental Deficiency, which is the difference (never less than zero) between (i) the Rent due for, and other Rent allocable under this Lease to, each month beginning with the first month with respect to which Landlord receives Rent from re-letting the Premises, and (ii the proceeds, if any, that Landlord actually collects from any substitute tenant for any part of the Premises in each corresponding month in which the Term and the term of the substitute tenant's lease overlap; or (b) market Rental Deficiency, which is the present value, discounted at 6% simple annual interest, of the difference (never less than zero) between (i) the rent otherwise due under this Lease during any period after Tenant's breach in which Landlord may elect to recover this damage measure, and (ii) the fair rental value of the Premises during that period, *plus* any costs incurred in connection with any actual or attempted re-letting and any other Breach Damages.

In determining the market Rental Deficiency, the fair rental value will be the total rent that a comparable tenant would pay for comparable space in a building of substantially equivalent quality, size, condition, and location, considering rental rates and concessions then prevalent in the marketplace, the remaining lease term, the expected vacancy, and any other relevant factors. An independent MAI appraiser selected by Landlord will determine the fair rental value of the Premises, and that determination will conclusively bind the parties in any computation of the market Rental Deficiency.

Unless Landlord delivers signed, written notice thereof to 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 Premises, termination of this 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 re-letting of the Leased Premises).

Pursuit of any of the foregoing remedies or rights shall not preclude pursuit of any of the other remedies or rights herein provided or any other remedies or rights provided by Law, in equity, or otherwise; nor shall pursuit of any remedy or right 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. If any of Tenant's property ("Tenant Property") remains upon the Premises upon the expiration of the Lease term or any earlier termination of this Lease or any repossession of the Premises by Landlord because of Tenant's default under this Lease, Landlord shall have the right to remove such Tenant Property from the Premises and store such Tenant Property, and Tenant shall be obligated to reimburse Landlord for all of the costs incurred by Landlord in removing and storing such Tenant Property. Landlord shall not be required to release any Tenant Property to Tenant until Tenant has paid Landlord all costs incurred by Landlord in removing and storing such Tenant Property and all other amounts owed by Tenant to Landlord pursuant to this Lease, including, without limitation, unpaid rental and costs incurred by Landlord to repair the Premises.

25. Default by Landlord: No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the Premises or render Landlord liable for damages, of any kind or nature, 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 recoupment, or entitle Tenant to take any action whatsoever with regard to the 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 the said thirty (30) day period, or within said additional reasonable period, Tenant shall have the right, as its sole and exclusive remedy, to proceed to cure such default and deduct the cost of curing same plus interest thereon at the rate of ten percent (10%) per annum from the next succeeding Base Rent installment(s) due by Tenant to Landlord hereunder.

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.

The liability of Landlord (and all other Addison Persons and all Manager Persons) for any default by Landlord under this Lease shall be limited to an amount equal to twelve (12) months of Base Rent (the amount of such Base Rent being the amount in effect at the time of such default), and Landlord (and all other Addison Persons and all Manager Persons) shall not be otherwise or personally liable for any deficiency, claim, harm, loss, judgment, liability, or for any other matter whatsoever, and Tenant (for itself and all Tenant Persons) fully waives all other rights of recovery against Landlord (and all other Addison Persons and all Manager Persons) and any assets of Landlord (and all other Addison Persons and all Manager Persons).

26. Mitigation of Damages:

A. Landlord and Tenant agree to the following criteria in connection with Landlord's mitigation of damages after a default by Tenant and abandonment of the Premises by Tenant under this Lease (such mitigation, being by means of marketing the Premises for lease, to commence not more than sixty (60) days after Tenant physically vacates the Premises and to continue until the Premises have been relet):

1. Landlord will have no obligation to solicit or entertain negotiations with any other prospective tenant of the Premises until and unless Landlord obtains full and complete possession of the Premises, including without limitation, the final and non-appealable legal right to relet the Premises free of any claim of Tenant.

2. Landlord will not be obligated to offer the 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 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 Premises) nor shall Landlord be obligated to enter 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 sole judgment and opinion.

5. Landlord will not be obligated to enter 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 occupy and operate the Premises in a first-class manner and meet its financial obligations; or (ii) whose proposed use of the 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 Premises suitable for use by any prospective tenant.

If Landlord makes the Premises available for reletting under the criteria set forth hereinabove, Landlord will be deemed to have fully satisfied Landlord's obligation 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 Paragraph.

No rent collected from a substitute tenant for any month more than the Rent due under the Lease for that month will be credited or offset against unpaid Rent for any other month or any other Breach Damages. Tenant stipulates that the mitigation requirements expressed in this Paragraph are objectively reasonable. **TO THE FULLEST EXTENT PERMITTED BY LAW, TENANT WAIVES ANY OTHER OBLIGATION BY LANDLORD TO MITIGATE ITS DAMAGES AFTER TENANT VACATES OR ABANDONS THE PREMISES.**

B. Tenant's right to seek damages because 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 officials, officers, employees, agents, invitees, or other third parties that may be caused by any such default of Landlord.

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 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 casualty, 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.

28. Title to Improvements: The Town of Addison, Texas, is the sole owner of the Premises. Any and all improvements made to the Premises by Tenant shall become the property of Landlord upon the expiration or termination of this Lease; provided, however: (i) if Tenant is not then in default hereunder, Tenant shall have the right to remove all personal property, equipment, or removable trade fixtures owned by Tenant from the Premises, but Tenant shall be required to repair any damage to the Premises caused by such removal in a good and workmanlike manner and at Tenant's sole cost and expense; and (ii) Landlord may elect to require Tenant to remove all improvements made to the Premises by Tenant and restore the Premises to the condition in which the same existed on the Commencement Date hereof, in which event Tenant shall promptly perform such removal and restoration in a good and workmanlike manner and at Tenant's sole cost and expense. If Tenant fails or refuses to remove any or all of Tenant's personal property, equipment, and trade fixtures from the Premises on or before the date of the termination of this Lease, the items which

Tenant has failed or refused to remove: (i) shall be considered abandoned by Tenant, (ii) shall become the property of Landlord, and (iii) may be disposed of by Landlord in any manner desired by Landlord in Landlord's unfettered discretion.

29. **Mechanics' and Materialmen's Liens: TENANT AGREES TO DEFEND, INDEMNIFY AND HOLD LANDLORD HARMLESS OF AND FROM ALL LIABILITY ARISING OUT OF THE FILING OF ANY MECHANICS' OR MATERIALMEN'S LIENS AGAINST THE PREMISES BY REASON OF ANY ACT OR OMISSION OF TENANT OR ANYONE CLAIMING BY, THROUGH, OR UNDER TENANT; AND LANDLORD, AT LANDLORD'S OPTION, MAY SATISFY SUCH LIENS AND COLLECT THE AMOUNT EXPENDED FROM TENANT TOGETHER WITH INTEREST THEREON AS PROVIDED IN PARAGRAPH 40 AS ADDITIONAL RENT; PROVIDED, HOWEVER, THAT LANDLORD SHALL NOT SO SATISFY SUCH LIENS UNTIL THIRTY (30) DAYS AFTER WRITTEN NOTIFICATION TO TENANT OF LANDLORD'S INTENTION TO DO SO AND TENANT'S FAILURE DURING SUCH THIRTY (30) DAY PERIOD TO BOND SUCH LIENS OR ESCROW FUNDS WITH APPROPRIATE PARTIES TO PROTECT LANDLORD'S INTEREST IN THE PREMISES.**

30. **Title:** Tenant enters this Lease and accepts the Premises subject to: (i) the Airport Minimum Standards and the Rules and Regulations as amended or modified from time to time; (ii) easements, rights-of-way, and other interests in or encumbrances on Property (whether or not recorded) that may affect the Premises; (iii) all Laws promulgated by any governmental authority having jurisdiction over the Premises, and (iv) all of the terms, conditions, and provisions of this Lease.

31. **Quiet Enjoyment and Subordination:** Landlord represents that Tenant, upon Tenant's payment of the Rent and other payments herein required and provided for, and Tenant's performance of the terms, conditions, covenants and agreements herein contained, shall peaceably and quietly have, hold and enjoy the Premises during the full Term of this Lease; provided, however, that Tenant accepts this Lease subject and subordinate to any recorded mortgage, deed of trust or other lien presently existing upon, or to any other matter affecting, the Premises. 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, ground or other lease ("ground lease"), or other lien now existing or hereafter placed on the Premises or to declare this Lease prior and superior to any mortgage, ground lease, deed of trust or other lien now existing or hereafter placed on the Premises (and Tenant agrees upon demand to execute such further instruments subordinating this Lease as Landlord may request), provided such subordination shall be upon the express conditions that (i) this Lease shall be recognized by the mortgagee (or ground lessor or holder of such other lien or interest) and that all of the rights of Tenant shall remain in full force and effect during the full term of this Lease so long as Tenant attorns to the mortgagee, its successor and assigns (or ground lessor or holder of such other lien or interest, their successors and assigns) and pays timely all Rent and other payments due hereunder and performs all of the duties and obligations of Tenant under this Lease; and (ii) in the event of foreclosure or any enforcement of any such mortgage, deed of trust, ground lease, or other lien, 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 under this Lease and attorn to the mortgagee, its successor and assigns (or ground lessor or holder of such other lien or interest, their successors and assigns). Tenant also agrees upon demand to execute further instruments declaring this Lease prior and superior to any mortgage, deed of trust, ground lease, or other lien and specifically providing that this Lease shall survive any foreclosure of such mortgage, deed of trust or other lien, or action to terminate a ground lease affecting the Premises. Upon any foreclosure of any mortgage, deed of trust or other lien now existing or hereafter placed on the Premises (or any sale in lieu thereof), or upon termination of a ground lease affecting the Premises, Tenant agrees to attorn to and recognize as landlord hereunder, the purchaser of Landlord's interest in the Premises at any foreclosure sale (or sale in lieu thereof) pursuant to any such mortgage, deed of trust or other lien, or the ground lessor (in the event of termination of a ground lease), if Tenant is required to do so by the applicable party (and Tenant agrees to execute an instrument to that effect as may be provided by such applicable party).

32. **Access and Egress:** Landlord reserves, and Tenant hereby grants to Lardlord, the full and unrestricted access to and egress from that portion of the Premises on which buildings or improvements are not located for Landlord, its tenants, employees, guests, patrons, invitees, contractors, suppliers of materials, furnishers of services, its or their equipment, vehicles, machinery and other property, and Manager, its officers, employees and agents, without charge to Landlord or to said persons or entities.

33. Rent on Net Return Basis: It is intended that the rent provided for in this Lease shall be a net return to Landlord for the term of this Lease, free of any loss, expenses, or charges with respect to the Premises including, without limitation, maintenance, repairs, replacement, insurance, taxes and assessments, and this Lease shall be construed in accordance with such intention.

34. Holding Over: Should Tenant, or any of Tenant's successors in interest fail to surrender the 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 fifty percent (150%) of the Base Rent paid for the last month of the Term of this Lease.

35. 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 remedy, or Tenant's breach of any obligation under this Lease, unless Landlord delivers a signed writing, addressed to Tenant and explicitly relinquishing that right, remedy or breach. No custom or practice arising during the Term of 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.

36. 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 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 Premises.

37. Attorneys' Fees: If, on account of any breach or default by Landlord or Tenant of their respective obligations under this Lease, it shall become necessary for the other to employ an attorney to enforce or defend any of such party's rights or remedies hereunder, and should such party prevail, such party shall be entitled to collect reasonable attorneys' fees incurred in such connection from the other party.

38. 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.

39. Estoppel Certificates:

A. Tenant agrees that from time to time, upon not less than thirty (30) days' prior written request by Landlord, Tenant will deliver to Landlord a statement in writing certifying: (i) that 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); (ii) the dates to which rent and other charges have been paid; (iii) Landlord is not in default under any term or provision of this Lease or, if then in default, the nature thereof in detail in accordance with an exhibit attached thereto; (iv) that, if requested by Landlord, Tenant will not pay Rent more than one (1) month in advance, (v) that this Lease will not be amended without notice to Landlord's mortgagee (or such other person as Landlord may identify), and (vi) that this Lease will not be terminated by Tenant without the same notice required by this Lease to be furnished by Tenant to Landlord also being furnished by Tenant to Landlord's mortgagee (or such other person as Landlord may identify), and Landlord's mortgagee (or such other person as Landlord may identify) shall have the same opportunity to cure such default within the curative period as allowed Landlord under this Lease; and (vii) any other information pertaining to Landlord, Tenant, this Lease or the Premises reasonably requested by Landlord.

B. Landlord agrees that from time to time, upon not less than thirty (30) days' prior written request by Tenant, Landlord will deliver to Tenant a statement in writing certifying: (i) that 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); (ii) the dates to which Rent and other charges have been paid; and/or (iii) Tenant 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.

40. 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 per annum at the lesser of ten percent (10%) or the highest non-usurious rate then allowed by Law (the "Default Interest Rate"), 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 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.

41. Landlord's Lien: In addition to the constitutional and statutory Landlord's liens, **TENANT HEREBY GRANTS TO LANDLORD A SECURITY INTEREST TO SECURE PAYMENT OF ALL RENT DUE HEREUNDER FROM TENANT, UPON ALL GOODS, WARES, EQUIPMENT, FIXTURES, FURNITURE AND OTHER PERSONAL PROPERTY OWNED BY TENANT AND SITUATED IN OR UPON THE PREMISES, TOGETHER WITH THE PROCEEDS FROM THE SALE OR LEASE THEREOF.**

Such property shall not be removed without the consent of Landlord until all arrearages in rent then due to Landlord hereunder shall have been paid and discharged. Upon Tenant's failure to pay rent due within ten (10) days after the due date, Landlord may, in addition to any other remedies provided herein or by Law, enter upon the Premises and take possession of any and all goods, wares, equipment, fixtures, furniture and other personal property owned by Tenant and situated on the Premises without liability for trespass or conversion, and sell the same at public or private sale with or without having such property at the sale, after giving Tenant reasonable notice of the time and place of any such sale. Landlord has no right to and has no security interest in and may not take possession of any property which may be situated on the Premises, but which is not owned by Tenant, including but not limited to property which may be owned by another and leased and/or loaned to Tenant. Unless otherwise required by Law, notice to Tenant of such sale shall be deemed sufficient if given in the manner prescribed in this Lease at least thirty (30) days before the time of the sale. Any public sale made under this Paragraph shall be deemed to have been conducted in a commercially reasonable manner if held in the Premises or where the property is located, after the time, place and method of sale and a general description of the types of property to be sold have been advertised in a daily newspaper published in Dallas County, Texas, for five (5) consecutive days before the date of the sale. Landlord or Landlord's assigns may purchase at a public sale and, unless prohibited by Law, at a private sale. The proceeds from any disposition dealt with in this paragraph, less all expenses connected with the taking of possession, holding and selling of the property including reasonable attorneys' fees and legal expenses), shall be applied as a credit against the indebtedness secured by the security interest granted herein. Any surplus shall be paid to Tenant or as otherwise required by Law, and Tenant shall pay any deficiency forthwith.

Upon request by Landlord, Tenant agrees to execute, as debtor, and deliver to Landlord financing statements in form sufficient as may be necessary to perfect the security interest of Landlord in the aforementioned property and proceeds thereof under the provisions of the Texas Business and Commerce Code. Landlord may at its election at any time file in the appropriate County records a copy of this Lease as a Financing Statement. Landlord, as Secured Party, has all the rights and remedies afforded a secured party under the Texas Uniform Commercial Code in addition to and cumulative of the landlord's liens and rights provided by Law or by the other terms and provisions of this Lease. The constitutional and statutory liens for rent are expressly reserved; the security interest herein granted is in addition and supplementary thereto.

42. Corporate Execution: If Tenant is a corporation or if this Lease shall be assigned by Tenant to a corporation or if Tenant sublets all or a portion of the Premises to a corporation, such corporation hereby agrees to execute and deliver to Landlord from time to time during the Term of this Lease such instruments as Landlord may reasonably request to evidence: (i) the authority of such corporation to transact business good standing with the State of Texas; and (ii) the authority of the officers of such corporation to execute this Lease or other documents in connection with this Lease.

43. Joint and Several Liability: If more than one person or entity is defined as Tenant in this Lease, all the duties, obligations, promises, covenants, and agreements contained in this Lease to be paid and performed by Tenant shall be the joint and several obligations of all persons or entities defined as Tenant. Each person or entity defined as Tenant agrees that Landlord, in Landlord's sole discretion, may: (i) institute or bring suit against them, jointly and

severally, or against any one or more of them; (ii) compromise or settle with any one or more of them for such consideration as Landlord may deem proper; and (iii) release one or more of them from liability hereunder, and that no such action by Landlord shall impair or affect Landlord's rights to collect costs, expenses, losses or damages incurred or suffered by Landlord from the other persons or entities defined as Tenant, or any of them, not so sued, compromised, settled with or released.

44. Certificate of Occupancy: Tenant may take possession of the Premises pursuant to the terms and conditions of this Hangar Lease; however, Tenant may not occupy the Premises without first being issued a valid Certificate of Occupancy pursuant to the Town of Addison, Texas Code of Ordinances, Part II, Chapter 18, Article II, Division 2, Section 18-53. Tenant may apply for a Certificate of Occupancy any time after the Effective Date of this Agreement. If for any reason, beyond the reasonable control of Tenant, Tenant is unable to secure a Certificate of Occupancy within thirty (30) days prior to the Commencement Date, Tenant may terminate this Lease provided Tenant has given Landlord written notice of all deficiencies preventing the issuance of said Certificate of Occupancy in favor of Tenant and Landlord fails to cure or otherwise resolve the deficiency(ies) within ten (10) business days of Landlord's receipt of Tenant's written notice. Nothing herein contained shall obligate Landlord to install any additional electrical wiring, plumbing or plumbing fixtures, or other fixtures or equipment or any other improvements whatsoever which are not presently existing in the Premises, or which have not been expressly agreed upon by Landlord in writing.

45. Independent Contractor: It is understood and agreed that in leasing, occupying, and operating the Premises, Tenant is acting as an independent contractor and is not acting as agent, partner, joint venturer, or employee of Landlord.

46. Force Majeure: 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, the period for performance of such term, condition or covenant shall be extended for a period equal to the period Landlord is so delayed or hindered.

47. 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.

48. Use of Language; No Third-Party Beneficiaries: 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. 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.

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.

Except as otherwise set forth in this Lease, this Lease and each of its provisions are solely for the benefit of the parties hereto and are not intended to and shall not create or grant any rights, contractual or otherwise, to any third person or entity.

49. Captions: The captions or headings 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.

50. Successors: 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.

51. Severability: The terms and provisions of this Lease are severable, and if any term or provision in this Lease should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby, and the invalid or unenforceable term or provision will be reformed to fully give effect to the parties' intentions in a manner that is legal, valid, and enforceable. It is the parties' intent that the term of this

Lease does not exceed any statutory limit; if it should be determined that the term of this Lease exceeds such period, the term hereof shall be reformed to make the term hereof not exceed such period.

52. Notices: Any notice or document required to be delivered or given hereunder may be delivered in person or shall be deemed to be delivered, whether received or not, when deposited in the United States mail, postage prepaid as registered or certified mail (return receipt requested is optional by sender), addressed to the parties at the addresses indicated below, or at such other addresses as may have theretofore been specified by written notice delivered in accordance herewith.

TO LANDLORD:

Town of Addison, Texas
c/o Airport Manager
4545 Jimmy Doolittle Drive, Suite 200
Addison, Texas 75001
Attn: Asst. Airport Director – Real Estate

~ and ~

Town of Addison, Texas
P.O. Box 9010
5300 Beltline Road
Dallas, TX 75001-9010

TO TENANT:

Jani-King International, Inc.
4572 Claire Chennault Drive
Addison, TX 75001
Attn: Perry White, Director of Special Projects

53. 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 THE TENANT AGREES TO INDEMNIFY AND HOLD THE CITY AND/LANDLORD HARMLESS FROM THE PAYMENT OF ANY SUCH FEES OR COMMISSIONS.**

54. 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.

55. Governing Law and Venue: This Lease and all of the transactions contemplated herein shall be governed by and construed in accordance with the Laws of the State of Texas, without regard to conflict of Law provisions of any jurisdiction; and Landlord and Tenant both irrevocably agree that venue for any dispute concerning this Lease or any of the transactions contemplated herein shall be in any court of competent jurisdiction in Dallas County, Texas, and the parties submit themselves to the jurisdiction of such courts.

56. No Recording: Tenant agrees that Tenant will not record this Lease in the real property records of Dallas County, Texas, without first securing the prior written consent of Landlord, which may be withheld at Landlord's sole discretion. However, Tenant agrees upon the written request of Landlord to execute, acknowledge, and deliver to Landlord a short-form lease in recordable form.

57. Diagram: The diagram of the Premises attached hereto as **Exhibit B** merely evidences existing or contemplated improvements. By attaching such diagram as an exhibit to this Lease, Landlord is in no way contracting or bound to maintain or construct improvements exactly as shown thereon or prohibited from making additional or different improvements.

58. Time of Essence: Time is of the essence in the payment and performance of the duties and obligations imposed upon Tenant by the terms and conditions of this Lease.

59 Survival: All duties and obligations imposed upon Tenant by the terms and conditions of this Lease shall survive the termination or expiration of this Lease until paid or performed.

60. Special Conditions:

A. This Hangar Lease shall supersede the Ground Lease defined above without interruption. Under the terms and conditions of the Ground Lease, Tenant is obligated to maintain the improvements made to the Demised

Premises in good repair and condition over the duration of the ground-lease term. Landlord provided Tenant notice of needed repairs to the Demises Premises that were included in Property Condition Report "(PCA") dated February 10, 2021, prepared by Partner Engineering and Science, Inc., which report was also provided to Tenant. Items needing attention are described below and referenced in Table 1 of the PCA (the "PCA Repairs").

1. Section 3.2.2 – Clean and seal cracks and joints at the concrete pavement. Perform limited sectional concrete repairs.
2. Section 4.3.1 – Clean exterior walls and perform miscellaneous repairs to metal panels.
3. Section 4.3.2 – Remove and replace window sealants and gaskets.
4. Section 4.4.1 – Replace deteriorated sealant around pipe penetrations flashing boots; allowance for sealant touch-up at metal panel fasteners/laps/joints and miscellaneous repairs as needed.
5. Section 5.2 – Replace split system (including condensing unit and interior air handler).
6. Section 5.3 – Install GFCI outlet circuits at restroom.
7. Section 5.5.1 – Inspect and test fire extinguishers.

As an inducement for Landlord to enter this Hangar Lease, and as a condition precedent to this Hangar Lease commencing and allowing Tenant to retain occupancy and possession of the Premises, the above-referenced PCA Repairs must be completed to Landlord's satisfaction no later than thirty (30) days prior to the expiration of the Ground Lease. If the above-referenced PCA Repairs are not completed to Landlord's satisfaction prior to the expiration of the Ground Lease, this Hangar Lease shall automatically terminate no later than November 30, 2021, *ab inito* with no further duty or obligation by either party to the other except for Tenant's obligations pertaining to vacating the Premises pursuant to the Ground Lease. Notwithstanding the foregoing, this Lease does not in any way release or waive any rights, duties, or obligations of either party under the Ground Lease, while the Ground Lease remains in full force and effect.

B. Regarding the ground lease with Jani-King International, Inc. for the property located at 4574 Claire Chennault Drive, which ground lease is set to expire November 30, 2022, should Landlord and Tenant enter into a Conventional Hangar Lease for that property upon the ground lease expiration, the lease term shall be coterminous with this Hangar Lease Term, and will include an early termination clause similar to what is described in Section 2A above.

61. Authority to Execute. The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Lease 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.

62. Entire Agreement and Amendments: This Lease, consisting of sixty-two (62) paragraphs and Exhibits A through E attached hereto and made a part hereof, together with the premises and recitals to this Lease set forth above which are incorporated herein, and any other documents incorporated herein (including, without limitation, the Rules and Regulations), embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements 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 on behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

EXECUTED as of the day, month, and year first above written.

TENANT:

JANI-KING INTERNATIONAL, INC.
A Texas corporation

By: _____
James Cavanaugh, CEO and President

LANDLORD:

TOWN OF ADDISON, TEXAS
A home-rule municipality

By: _____
Wesley S. Pierson, City Manager

EXHIBIT "A"

Property Survey and Legal Description of the Premises

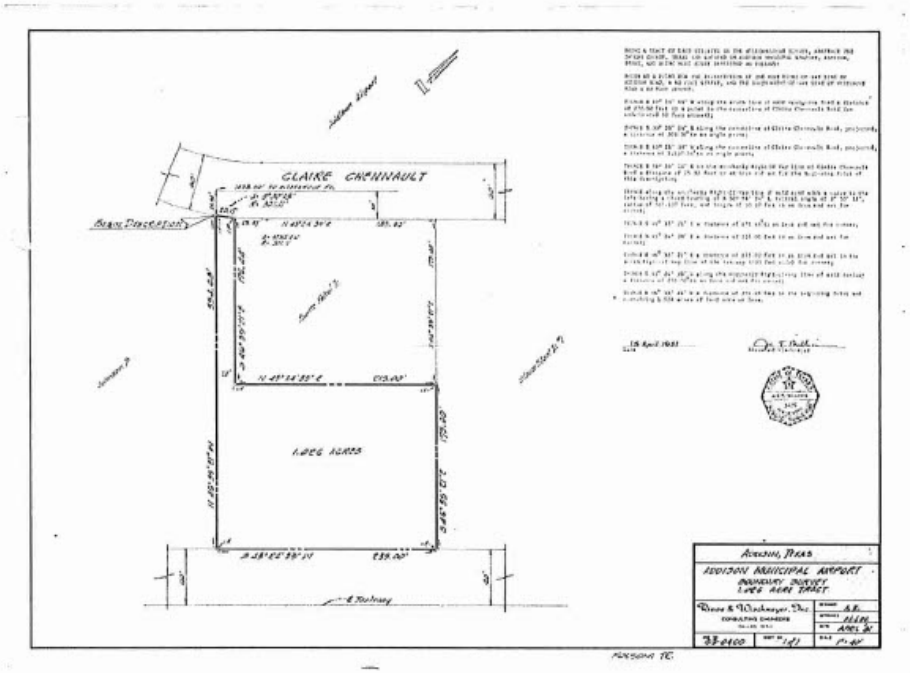


EXHIBIT "B"

Aerial Depiction of the Premises

Below is a depiction of the proximity of the Premises for informational purposes only and is not to be construed as accurate in area or dimension.

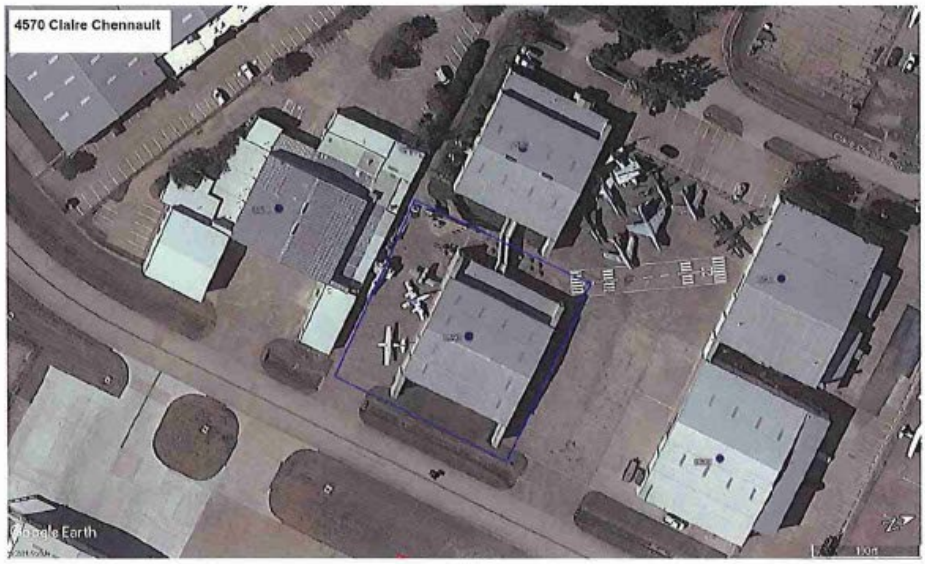


EXHIBIT "C"

Shared Ramp Subject to Right-of-Way Easement
(See Paragraph 16.B)



EXHIBIT "D"

Utility Expense Reimbursements

Conventional Hangar Lease for Commercial Aviation Use Effective November 30, 2021, concerning the Premises located at 4570 Claire Chennault Drive, Addison Airport, Addison, Dallas County, Texas 75001

A. The party designated below will pay for the following utility charges serving the Premises including any related connection/disconnection charges assessed by the service provided:

(Check or mark once per line. *Note: if a check or mark is omitted or not made for any line item or if more than one check or mark is made on any line item, Tenant is the responsible party to procure and pay for such service).*

(1)	(2) N/A	(3) Landlord	(4) Provided by Landlord & Reimbursed by Tenant	(5) Tenant	(6) Further Description If Any
1. Water	☐	☐	☐	√	Water Meter #_____
2. Sewer	☐		☐	√	
3. Electric	☐	☐	☐	√	Electric Meter #_____
4. Gas	☐	☐	☐	√	if available to the Premises - Meter #_____
5. Telephone/Data	☐	☐	☐	√	
6. Trash	☐	☐	☐	√	
7. Cable	☐	☐	☐	√	
8. Other -	☐	☐	☐	☐	
9. Other -	☐	☐	☐	☐	
10.Other -	☐	☐	☐	☐	

The responsible party so designated above (i) may select or change the utility service provider from time to time over the term of the Lease, and (ii) shall be responsible, at its sole cost and expense, for obtaining and maintaining said utility connections at or for the Premises.

B. All utilities to be provided by Landlord and reimbursed by Tenant as indicated above (Column 5) shall be paid as follows:

1. In addition to the Base Rent, Tenant will pay Landlord as Additional Rent the costs for the utility services indicated herein and directly attributable or reasonably allocable to the Premises and associated with the referenced accounts (where each account is an account of or for Landlord).

2. Each month Landlord shall submit to Tenant an invoice for all such utility costs, including taxes, fees, and other related costs, billed to Landlord for the preceding billing cycle. Tenant shall pay, as Additional Rent, the amount of each such invoice no later than the first day of the month following the date of the invoice (and the obligation to pay the invoice for the last month (or partial month) of this Hangar Lease shall survive the expiration or termination of this Hangar Lease). Landlord agrees to reasonably cooperate with Tenant in the event Tenant, at Tenant's sole cost, should desire to inquire about, or to protest or appeal, the charges being assessed by the utility service provider. To this end, Tenant shall give Landlord prior written notice of any such protest or appeal, and resolution thereof.

3. Landlord agrees not to assess any rebilling or administrative service fees for utility costs covered under this addendum.

4. Tenant's failure to timely pay said utility costs as Additional Rent shall be deemed to be an event of default by Tenant under the Lease. Landlord reserves all rights and remedies available to it under the Lease and by Law to collect all Rent due.

EXHIBIT "E"

Maintenance and Repair Responsibilities

Conventional Hangar Lease for Commercial Aviation Use Effective November 30, 2021, concerning the Premises located at 4570 Claire Chennault Drive, Addison Airport, Addison, Dallas County, Texas 75001

	Landlord	Tenant	Comment
Ground Maintenance			
Building & Gate Locksmithing & Security	Maintains all public access gates. Main entry gate to property is Landlord's responsibility to maintain and repair unless abuse by Tenant or its invitees.	All, as required by Tenant's use and all Laws, including ordinances, rules and regulations. All doors and gates leading to Airport Operations Area are to be kept always secured.	
Fencing	Landlord maintains Airport perimeter fence (damage to such fence caused by or resulting from any of Tenant's, or its guests' and invitees, acts or omissions shall be paid for by Tenant)	All other fencing upon the Premises, *if any*, is Tenant's responsibility.	
Landscape & Lawn Care		All turf, beds and planters within the Premises	
Landscape Irrigation		Minimum requirements by City ordinance	
Pavement - Parking	Structural repairs and reconstruction	Regular sweeping and snow removal. Any damage other than that resulting from normal wear and tear. Painting and striping as required for intended use or required by ordinance or otherwise by Landlord with Landlord's prior written consent.	
Pavement - Ramp	Structural repairs and reconstruction	Regular sweeping and snow removal. Any damage other than that resulting from normal wear and tear. Painting and striping as required for intended use, safe operations or as required by Landlord and with Landlord's prior written consent.	

	Landlord	Tenant	Comment
Trash Dumpster	Dumpster location or location changes at the sole discretion and direction of the Landlord. Change of service provider at sole discretion of Landlord.	Tenant to manage and maintain and to be provided at Tenant's sole cost and expense. Must be kept on Premises unless otherwise approved in advance by Landlord	Trash service is a shared service with 4551 & 4553 Glenn Curtiss Drive. Paid by Landlord and assessed 50%/50% between tenants.
Trash Dumpster screening, if required		Maintained at Tenant's sole cost and expense.	
Building Shell			
Garage Overhead & Service Doors	Major repairs and replacement if required at sole discretion of Landlord.	General preventive maintenance and basic service and repair. Examples of general preventive maintenance and basic service and repair would be servicing, maintaining or repairing springs, cables, rollers, latch & lock…	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Hangar Doors	Major repairs and replacement if required at sole discretion of Landlord	General preventive maintenance and basic service – including cleaning floor tracks.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Hangar Floor	Major repairs and replacement if required at sole discretion of Landlord.	General preventive maintenance, sweeping, cleaning and safety markings as required by Landlord. Examples include cleaning floors of oils and chemical materials that may cause permanent damage to floor surface such as stains or peeling of floor coating.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Building & Hangar Insulation, if existing	Major repairs and replacement if required at sole discretion of Landlord.	General preventive maintenance, repair and replacement where required.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for

	Landlord	Tenant	Comment
			by Tenant.
Painting and cleaning of building exterior	Performed by Landlord at Landlord's sole expense and discretion.	General preventive maintenance, repair and replacement where required.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Repairs to exterior siding building, fascia, trim, etc.	Performed by Landlord at Landlord's sole expense and discretion	General preventive maintenance, repair and replacement where required.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Window and Glass Curtain Walls	Major repairs and replacement when required at sole discretion of Landlord.	General preventive maintenance, repair and replacement where required.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Roof	Major repairs and replacement when required at sole discretion of Landlord.	No penetrations without Landlord's prior written approval.	
Roof rain-gutters and downspouts	Major repair and replace as required.	General preventive maintenance, repair and replacement where required.	
Interior - Finish-out			
Interior Doors	Major repairs and replacement when required at sole discretion of Landlord.	General preventive maintenance, repair and replacement where required.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for

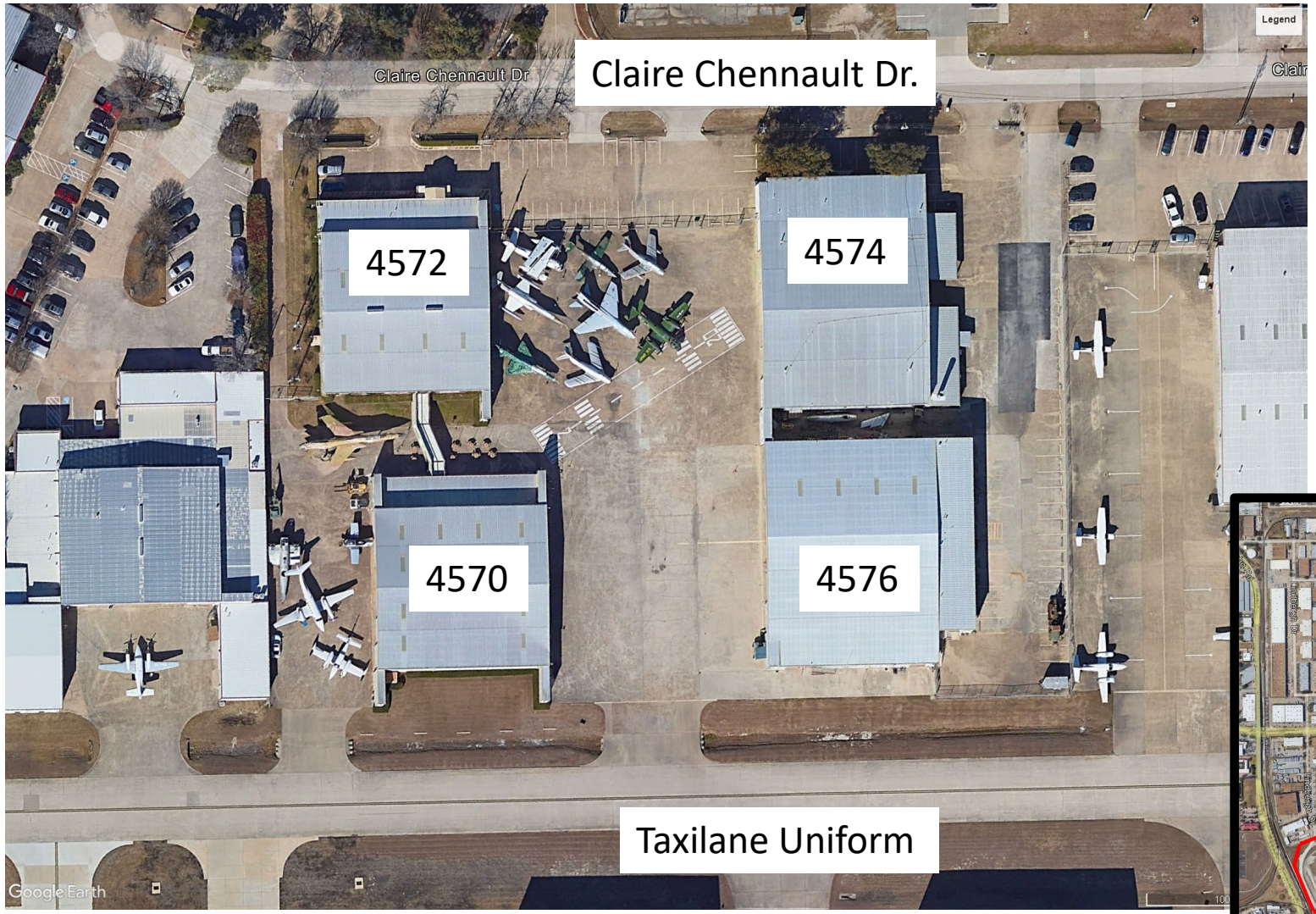
	Landlord	Tenant	Comment
			by Tenant.
All Interior and Exterior door locks (electronic or keyed)	Any lock changes or lock system changes must be approved by Landlord in advance. Maintain copies of access keys provided by Tenant. Landlord must be given 24-hour access to building due to fire alarm system and reset.	General preventive maintenance, repair and replacement where required. Copies of access keys to be provided to Landlord with instruction and codes provided for any electronic locking systems.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Office/shop space flooring and floor cover	Major repairs and replacement at sole discretion of Landlord.	Major repair and replacement with Landlord's prior consent. General preventive maintenance, cleaning of all floor surfaces (carpet, tile and tile grout…) repair and replacement where required.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Painting Interior – Office and shop space		Repainting like existing condition. Major change in color, texture and material must be with Landlord's prior written consent. General preventive maintenance, cleaning, repair and replacement where required.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Painting Interior – Hangar space	Repainting like existing condition at sole discretion of the Landlord.	Any change in color, texture and material must be with Landlord's prior written consent. General preventive maintenance, cleaning, repair and replacement where required.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Walls & Ceilings	Major repairs and replacement at sole discretion of Landlord.	Repainting or repairing like existing condition. Major change in color, texture and material must be with Landlord's prior written consent. General preventive maintenance, cleaning, repair and replacement where required. Applicable to office area only.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.

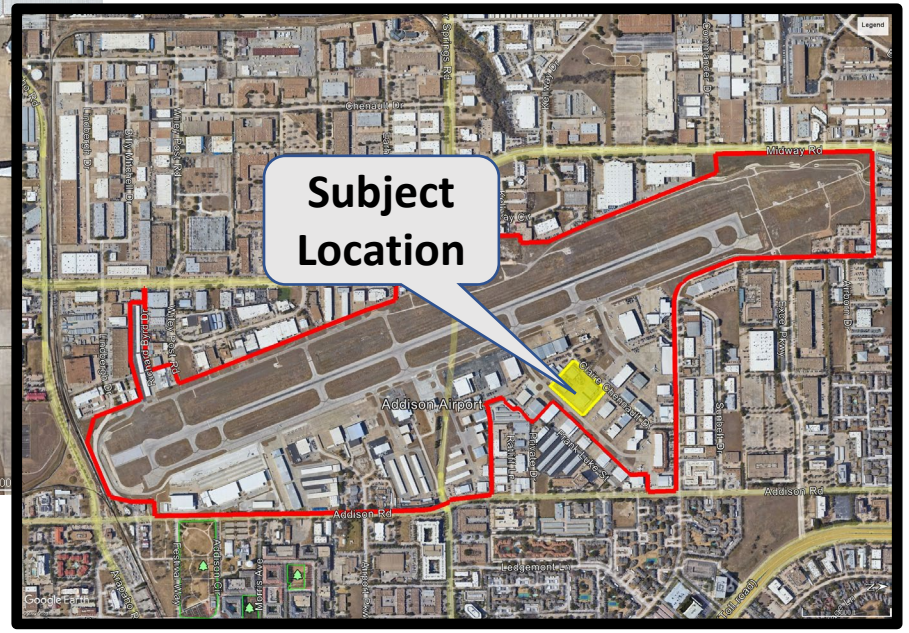
	Landlord	Tenant	Comment
Building Systems			
Air Compressor		Tenant's full responsibility.	
Electrical Systems	Major repairs, replacement or modifications at sole discretion of Landlord. General maintenance and repair.	Replacement or material change only with Landlord's prior written consent. Inform Landlord of any electrical issues or needed modifications.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Hangar Door Motors	General maintenance and repairs and replacement at sole discretion of Landlord. General preventive maintenance and basic service.	Replacement or material change only with Landlord's prior written consent.	
Exterior Lighting & maintenance	Major repairs and replacement at sole discretion of Landlord. Landlord to replace bulbs as necessary.	Replacement or material change only with Landlord's prior written consent.	
Office and interior lighting	Major repairs and replacement of fixtures at sole discretion of Landlord.	Tenant to replace bulbs and lamps as necessary with similar bulb and lamp types.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Hangar light repair and replacement	Major repairs and replacement at sole discretion of Landlord.	Replacement or material change only with Landlord's prior written consent. Tenant to replace bulbs as necessary.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
HVAC	Major repairs and replacement at sole discretion of Landlord. Filter changes and major repair of equipment.	General maintenance and repair. Replacement or material change only with Landlord's prior written consent. Examples of general maintenance and repair are; routine services, preventive maintenance, thermostat battery replacement and	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for

	Landlord	Tenant	Comment
		additional refrigerant as needed.	by Tenant.
Window a/c units if any	Major repairs and replacement at sole discretion of Landlord.	General maintenance and repair. Replacement or material change only with Landlord's prior written consent.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Plumbing systems	Major repairs and replacement at sole discretion of Landlord.	General maintenance and repair. Replacement or material change only with Landlord's prior written consent.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Water heater	Replacement at Landlord's sole discretion.	General maintenance and repair. Replacement with Landlord's prior written consent.	
Storm water drains	Major repairs and replacement and general maintenance.	Damage caused by or resulting from acts of Tenant, Tenant's employees, guests or invitees shall be paid for by Tenant.	Damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant.
Grease Traps	Landlord to have inspected and serviced upon tenant move-in.	Tenant's full responsibility.	If any
Fire Alarm Systems		Tenant to perform day-to-day minor maintenance and notify landlord or any known conditions needing attention. Tenant shall not obstruct, alter, impair, or prevent, in any way, the efficiency of fire alarm systems. Tenant to maintain and monitor and provide routine inspections.	The active alarm monitoring and inspections are shared expenses with 4551 & 4553 Glenn Curtiss Drive and treated by landlord as a shared pass-thru expense on a 50%/50% basis.

	Landlord	Tenant	Comment
Tapping into Fire Main for fire suppression systems	Must be approved by Landlord in advance.	Tenant's full responsibility with Landlord's prior written consent.	
Fire Extinguishers		Tenant's full responsibility to supply and maintain required fire extinguishers to meet all applicable fire and building codes. Tenant is responsible for all periodic inspections of fire extinguishers to meet all applicable fire and building codes	

Jani-King / Cavanaugh Flight Museum Hangar Facilities





Council Meeting 2023 **9.**

Meeting Date: 02/13/2023

Department: Infrastructure- Development Services

Pillars: Excellence in Asset Management
Excellence in Transportation Systems

Milestones: Implement the Asset Management Plan in accordance with the Asset Management Policy, utilizing information systems
Improve all modes of transportation with infrastructure in an acceptable condition and well maintained

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AGENDA CAPTION:

Consider Action on a **Resolution Approving an Agreement with Jacobs Engineering Group, Inc. for Design Support During Construction Related to the Keller Springs Reconstruction Project and Authorizing the City Manager to Execute the Agreement** in an Amount Not to Exceed $400,000.

BACKGROUND:

The purpose of this item is to award a Professional Service Agreement (PSA) with Jacobs Engineering Group, Inc. (Jacobs) for design support during construction for the Keller Springs Road Reconstruction Project.

Design Support During Construction Services are an industry standard for construction projects to ensure the construction contractor utilizes means and methods that comply with the contract requirements. Jacobs is the Engineer of Record for the Keller Springs Road Project design. Therefore, they are uniquely positioned to provide design support services because the Engineer of Record must be notified of or approve any requested interpretations and deviations by the construction contractor during construction.

The Scope of Work and a listing of fees for the anticipated services can be found in Exhibit A of the PSA. Services to be provided include meeting attendance and preparation; review of requests for information; review and acceptance of submittals; change order/field order reviews; landscape and irrigation reviews; traffic signalization reviews; other reviews and assistance; preparation of record drawings; and, additional services as requested by the Town. This scope also covers the design changes needed to optimize the project prior to rebid. The amount of the PSA is not to exceed $400,000.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution - Jacobs Engineering Group

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING AN AGREEMENT WITH JACOBS ENGINEERING GROUP INC. FOR DESIGN SUPPORT DURING CONSTRUCTION KELLER SPRINGS ROAD IN AN AMOUNT NOT TO EXCEED $400,000.00; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council desires to authorize an agreement with Jacobs Engineering Group Inc. for Design Support During Construction Keller Springs Road in conformance with the City's requirements.

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

SECTION 1. The City Council hereby approves the agreement between the Town of Addison and Jacobs Engineering Group Inc. for Design Support During Construction Keller Springs Road in conformance with the City's requirements and in an amount not-to-exceed of $400,000.00, a copy of which is attached to this Resolution as **Exhibit A**. The City Manager is hereby authorized to execute the agreement.

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 ***13th*** day of ***FEBRUARY***, 2023.

TOWN OF ADDISON, TEXAS

_____
Joe Chow, Mayor

ATTEST:

_____
Irma Parker, City Secretary

PROFESSIONAL SERVICES AGREEMENT
DESIGN SUPPORT DURING CONSTRUCTION KELLER SPRINGS ROAD

This Professional Services Agreement ("Agreement") is made by and between the **Town of Addison, Texas** ("City"), and **Jacobs Engineering Group Inc.** (**"**Professional") (each a "party" and collectively the "parties"), acting by and through their respective authorized representatives.

RECITALS

WHEREAS, City desires to engage Professional to perform certain work and services, hereinafter referred to only as "services", as further specified in the Scope of Services defined in Section 1 of this Agreement; and

WHEREAS, Professional has expressed a willingness to perform said services in conformance with this Agreement.

NOW, THEREFORE, for and in consideration of the covenants and promises made one to the other herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. Scope of Services

Upon written notice to proceed by City, Professional agrees to provide to City Design Support During Construction Keller Springs Road ("Project"), as set forth in the Scope of Services attached hereto as **Exhibit "A"** and incorporated herein by reference (the "Scope of Services"). Professional shall not be entitled to any claim for extra services, additional services or changes in the services without a written agreement with City prior to the performance of such services.

Section 2. Term of Agreement

The term of this Agreement shall begin on the last date of execution hereof (the "Effective Date") and shall continue until Professional completes the services required herein and the City has accepted the same, unless sooner terminated as provided in this Agreement.

Section 3. Professional's Obligations

(a) Performance of Services. Professional shall furnish and pay for all labor, tools, software, materials, equipment, supplies, transportation and management necessary to perform the services. To the extent reasonably necessary, Professional may engage the services of any agents, assistants, or other persons that Professional may deem proper to assist in the performance of the services under this Agreement; provided, that Professional shall be responsible for all costs related thereto, except as expressly authorized in writing in advance by City.

(b) Site Access. City will endeavor to provide such rights of access on any project site as may be reasonably necessary for Professional to perform any necessary studies, surveys, tests or other required investigations in relation to the services; provided, that City shall have no obligation to (i) provide off-site access, (ii) provide access to private property for which City does not have an existing right to access, nor (ii) incur any costs associated with the access to be provided under this Agreement.

(c) Standard of Care. Professional shall perform the services with the skill and care ordinarily provided by competent professionals practicing in the same or similar locality and under the same or similar circumstances and professional licenses. Professional shall be responsible for the professional quality, technical accuracy, and the coordination of all services, including all Project Documents, designs, drawings, specifications, plans, reports, presentations and all other services furnished by Professional under this Agreement. Professional shall, without additional compensation, correct or revise any errors or deficiencies in the services. Professional shall further make, without expense to City, such revisions to the Project Documents as may be required to meet the needs of City and which are within the Professional's Scope of Services.

(d) Additional Services. Should City require additional services not included under this Agreement, Professional shall make reasonable effort to provide such additional services in accordance with the fee schedule set forth in **Exhibit A**, and within the time schedule prescribed by City; and without decreasing the effectiveness of the performance of services required under this Agreement.

(e) No Waiver of City's Rights. Neither City's review, approval, acceptance of, nor payment for any of the services required under this Agreement, shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and Professional shall be and remain liable to City in accordance with applicable law for all damages to City caused by Professional's negligent performance of any of the services furnished under this Agreement.

(f) Independent Contractor. It is understood and agreed by and between the parties that Professional, while performing under this Agreement, is acting independently, and that City assumes no responsibility or liabilities to any third party in connection with Professional's actions. All services to be performed by Professional pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of City. Professional shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Agreement. There is no intended third-party beneficiary to this Agreement.

(g) Inspection of Records. Professional grants City and its designees the right to audit, examine or inspect, at City's election, all of Professional's Records (defined below) relating to the performance of services under this Agreement, during the term of the Agreement and any retention period herein. City's audit, examination, or inspection of Professional's Records may be performed by a City designee, which may include its internal auditors or an outside representative engaged by City. Professional agrees to retain Professional's Records for a minimum of four (4) years following termination of the Agreement, unless there is an ongoing dispute under the contract; then, such retention period shall extend until final resolution of the dispute. "Professional's Records" shall include any and all information, materials and data of every kind and character generated in connection with the services under this Agreement. City agrees that it will exercise its right to audit, examine or inspect Professional's Records during regular business hours unless City has provided advance written notice of an alternate time. Professional agrees to allow City and its designees access to all of Professional's Records, Professional's facilities, and the current or former employees of Professional, to the extent deemed reasonably necessary by City or its designee(s), to perform such audit, inspection or examination.

(h) Certification of No Conflicts. Professional hereby warrants to the City that Professional has made full disclosure in writing of any existing or potential conflicts of interest related to Professional's services under this Agreement. In the event that any conflicts of interest arise after the Effective Date of this Agreement, Professional hereby agrees immediately to make full disclosure to the City in writing.

(i) Hazardous Materials. Professional shall report the presence and location of any hazardous materials it notices or which an professional of similar skill and experience should have noticed to the City, provided, that Professional does not assume any additional duties or liability related to any such hazardous materials solely as a result of Professional's obligation under this subsection.

Section 4. Performance Schedule

(a) Time for Performance. Professional shall perform all services as provided for under this Agreement in a proper, efficient, timely, and professional manner in accordance with City's requirements. In the event Professional's performance of this Agreement is delayed or interfered with by acts of the City or others, Professional may request an extension of time in conformance with this Section 4 for the performance of same as hereinafter provided but shall not be entitled to any increase in fee or price, or to damages or additional compensation as a consequence of such delays.

(b) Extensions; Written Request Required. No allowance of any extension of time, for any cause whatever (including an event of Force Majeure as defined herein below), shall be claimed or made to Professional, unless Professional shall have made written request upon City for such extension within forty-eight (48) hours after the cause for such extension occurred, and unless City and Professional have agreed in writing upon the allowance of additional time to be made.

Section 5. Documents

(a) Project Documents. All proposals, reports, studies, surveys, applications, drawings, plans, specifications, data, and other documents, whether in draft form or final form (including any electronic format) prepared by Professional and its employees, consultants, subcontractors, agents, or representatives (collectively referred to in this section as "Professional) for the use and/or benefit of City in connection with this Agreement ("Project Documents"). Professional shall be deemed the authors of their respective component of the Project Documents. Notwithstanding, upon payment by City as required by this Agreement, City shall own, have, keep and retain all rights, title and interest in and to all Project Documents, including all ownership, common law, statutory, and other reserved rights, including copyrights (except copyrights held by the Professional) in and to all Project Documents, whether in draft form or final form, which are produced at City's request and in furtherance of this Agreement. City shall have full authority to authorize any contractor(s), subcontractors, consultants, and material or equipment suppliers to reproduce applicable portions of the Project Documents to and for use in their execution of the services or for any other purpose. Acceptance and approval of the Project Documents by City shall not constitute nor be deemed a release of the responsibility and liability of Professional for the accuracy or competency of its designs, working drawings, specifications, or other documents; nor shall such approval be deemed to be an assumption of such responsibility by City for any defect in the designs, working drawings and specifications, or any other documents prepared by Professional.

(b) Professional's Documents. All previously owned intellectual property of Professional, including but not limited to any computer software (object code and source code), tools, systems, equipment or other information used by Professional or its suppliers in the course of delivering the Services hereunder, and any know-how, methodologies or processes used by Professional to provide the services or protect deliverables to City, including without limitation, all copyrights, trademarks, patents, trade secrets and any other proprietary rights inherent therein and appurtenant thereto ("Professional's Documents"), shall remain the sole and exclusive property of Professional. Notwithstanding, Professional agrees that City shall have the right to access to all such information and City is granted the right to make and retain copies of Professional's Documents. City acknowledges that any reuse of Professional's Documents without specific written verification or adaptation by Professional will be at City's sole risk and without liability or legal exposure to Professional.

(c) Confidential Information. Professional agrees it will notify City in writing if it considers specific information to be confidential or proprietary trade secrets and will use its best efforts to clearly mark all such information as "Confidential" and/or "Proprietary – Trade Secret" at the time it is delivered or made accessible to City. City acknowledges that all such designated information is considered by Professional to be confidential and the exclusive property of Professional. Notwithstanding the foregoing, Professional acknowledges that this Agreement, and all services performed hereunder, are subject to the legal requirements of the Texas Public Information Act and that City will have no obligation to protect or otherwise limit disclosure of any confidential or proprietary information if Professional has not notified City of such designation in conformance with this section. Professional agrees and covenants to protect any and all proprietary rights of City (or other persons) in any materials provided to Professional by City. Additionally, any materials provided to Professional by City shall not be released to any third party without the consent of City and shall be returned intact to City upon termination or completion of this Agreement if instructed to do so by City. In the event City delivers to Professional any information that has been expressly marked "Confidential" or has notified Professional is confidential or is the proprietary information of a third-party, Professional agrees it shall not disclose to anyone directly or indirectly during the term of this Agreement or at any time thereafter, any such information, nor shall it use any such information for any purpose other than as reasonably necessary in connection with Professional's performance of the services under this Agreement. Professional shall further, at its own expense, defend all suits or proceedings instituted against City and pay any award of damages or loss resulting from an injunction, against City, insofar as the same are based on any claim that materials or services provided under this Agreement constitute an infringement of any patent, trade secret, trademark, copyright or other intellectual property rights. Notwithstanding, the foregoing confidentiality obligations shall not extend to and nothing herein shall limit either party's right to disclose any information provided hereunder which: (i) was or becomes generally available to the public, other than as a result of a disclosure by the receiving party or its personnel; (ii) was or becomes available to the receiving party or its representatives on a non-confidential basis, provided that the source of the information is not bound by a confidentiality agreement or otherwise prohibited from transmitting such information by a contractual, legal, or fiduciary duty; (iii) was independently developed by the receiving party without the use of any confidential information of the disclosing party; or (iv) is required to be disclosed by applicable law or a court order.

Section 6. Payment

(a) Compensation. Professional's compensation shall be as specified in the payment schedule set forth in **Exhibit A**; provided, that the total compensation under this Agreement shall not exceed FOUR HUNDRED THOUSAND DOLLARS ($400,000.00).

(b) Payment Terms. City agrees to pay Professional for all services authorized in writing and properly performed by Professional in general conformance with the fee schedule set forth in **Exhibit A**, subject to changes in the Scope of Services or additional services agreed upon in writing. Unless otherwise agreed in writing, all payments to Professional by City shall be based on detailed monthly invoices submitted by Professional for work performed and accepted by City, less any previous payments. Payment will be due within thirty (30) days of the City's receipt and acceptance of an approved invoice. Notwithstanding the foregoing, City reserves the right to delay, without penalty, any payment to Professional when, in the opinion of City, Professional has not made satisfactory progress on the Project as described in the Scope of Services.

(c) Deductions. City may deduct from any amounts due or to become due to Professional any sum or sums owing by Professional to City. In the event of any breach by Professional of any provision or obligation of this Agreement, or in the event of the assertion by other parties of any claim or lien against City, or City's premises, arising out of Professional's performance of this Agreement, City shall have the

right to retain out of any payments due or to become due to Professional an amount sufficient to completely protect City from any and all reasonably anticipated loss, damage or expense therefrom, until the breach, claim or lien has been satisfactorily remedied or adjusted by Professional.

Section 7. Default; Force Majeure

(a) Default; Notice to Cure. A party shall be deemed in default under this Agreement if the party is in breach of a material provision of this Agreement and said breach is not cured within fifteen (15) days written notice of default by the other party. In the event the breaching party has notified the other party in writing that it is diligently working to cure the breach and has provided reasonable written evidence in support of the same, the breaching party shall not be deemed in default until the thirtieth (30^{th}) day following the non-breaching party's notice of default.

(b) Default by Professional. In addition to default under Section 7(a) above, Professional shall be in default under this Agreement if Professional fails to comply or becomes disabled and unable to comply with the provisions of this Agreement related to Professional's performance of the services, including the quality or character of the services or time of performance for any material component of the services. If such default is not corrected within ten (10) days from the date of City's written notice to Professional regarding the same, City may, at its sole discretion without prejudice to any other right or remedy:

(i) Terminate this Agreement and be relieved of the payment of any further consideration to Professional except for all services determined by City to be satisfactorily completed prior to termination. Payment for work satisfactorily completed shall be for actual costs, including reasonable salaries and travel expenses of Professional to and from meetings called by City at which Professional is required to attend, but shall not include any loss of profit of Professional. In the event of such termination, City may proceed to complete the services in any manner deemed proper by City, either by the use of its own forces or by re-subletting to others; or

(ii) City may, without terminating this Agreement or taking over the services, furnish the necessary labor, materials, equipment, supplies and/or assistance necessary to remedy the situation, at the expense of Professional.

(c) Force Majeure. To the extent either party of this Agreement shall be wholly or partially prevented from the performance of any obligation or duty placed on such party by reason of or through stoppage of labor, riot, fire, flood, acts of war, insurrection, court judgment, or a government restriction, quarantine or mandatory closure order enacted in response to a pandemic or other public health crises, or other specific cause reasonably beyond the party's control and not attributable to its malfeasance, neglect or nonfeasance (each an event of "Force Majeure"), the time for performance of such obligation (other than a payment obligation) may be extended for a period equal to the time lost by reason such event, provided, that the party complies with the provisions of this section. Specifically, the party asserting Force Majeure (i) shall give prompt notice to the other party of the prevention of performance as soon as the asserting party is reasonably aware of such prevention, and (ii) has the burden of demonstrating: (1) how and why their performance was so prevented, (2) the period of time during which they were so prevented from performing (which under the facts may be equal to, or shorter or longer than, the duration of the Force Majeure event itself), and (3) that the party used commercially reasonable efforts to mitigate and/or eliminate such prevention and resumed performance under this Agreement as soon as reasonably practicable.

Section 8. Termination; Suspension

(a) Termination Upon Default. Either party may terminate this Agreement upon written notice if the other party is in default of this Agreement, subject to the defaulting party's right to cure in conformance with the terms of this Agreement.

(b) Termination by City. City shall be entitled to terminate this Agreement, with or without cause, by providing thirty (30) days prior written notice to Professional.

(c) Termination Following Request for Modification. Should City require a modification of this Agreement with Professional, and in the event City and Professional fail to agree upon a modification to this Agreement, City shall have the option of terminating this Agreement and Professional's services hereunder at no additional cost other than the payment to Professional, in accordance with the terms of this Agreement, for the services reasonably determined by City to be properly performed by Professional prior to such termination date.

(d) Suspension. City reserves the right to suspend this Agreement for the convenience of City by issuing a written notice of suspension which shall describe City's reason(s) for the suspension and the expected duration of the suspension. Such expected duration shall, in no way, guarantee what the total number of days of suspension shall occur. Such suspension shall take effect immediately upon Professional's receipt of said notice. Should such suspension extend past the expected duration identified by City in its latest notice of suspension, Professional shall have the right to terminate this Agreement if (i) Professional provides not less than thirty (30) days prior written notice to City requesting to recommence the services, and (ii) City does not recommence the services within the time requested.

Section 9. Insurance

Professional shall during the term hereof maintain in full force and effect all policies of insurance reasonably required by City. Professional's obligation to provide acceptable certificates of insurance is a material condition precedent to this Agreement, and services under this Agreement shall not commence until certificates of insurance have been received, reviewed, and accepted by City. The minimum coverages and limits of liability for the policies of insurance required for the specific services under this Agreement are maintained by and accessible through the City's purchasing department.

Section 10. Indemnification; Notice.

CITY SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE, OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY ARISING FROM THE SERVICES OF PROFESSIONAL PURSUANT TO THIS AGREEMENT. PROFESSIONAL HEREBY WAIVES ALL CLAIMS AGAINST CITY, ITS OFFICERS, AGENTS AND EMPLOYEES (COLLECTIVELY REFERRED TO IN THIS SECTION AS "CITY INDEMNITEES") FOR DAMAGE TO ANY PROPERTY OR INJURY TO, OR DEATH OF, ANY PERSON ARISING AT ANY TIME AND FROM ANY CAUSE OTHER THAN THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CITY INDEMNITEES. PROFESSIONAL AGREES TO INDEMNIFY, DEFEND, AND SAVE HARMLESS THE CITY INDEMNITEES FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS, SUITS, COSTS (INCLUDING COURT COSTS, REASONABLE ATTORNEYS' FEES AND COSTS OF INVESTIGATION) AND ACTIONS OF ANY KIND BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF PROPERTY TO THE EXTENT CAUSED BY THE NEGLIGENT PERFORMANCE OF SERVICES UNDER THIS AGREEMENT OR BY REASON OF ANY NEGLIGENT ACT OR OMISSION ON THE PART OF PROFESSIONAL, ITS OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, CONTRACTORS, SERVANTS,

REPRESENTATIVES, CONSULTANTS, LICENSEES, SUCCESSORS OR PERMITTED ASSIGNS (EXCEPT WHEN SUCH LIABILITY, CLAIMS, SUITS, COSTS, INJURIES, DEATHS OR DAMAGES ARISE FROM OR ARE ATTRIBUTED TO THE GROSS NEGLIGENCE OR WILFUL MISCONDUCT OF A CITY INDEMNITEE, IN WHOLE OR IN PART, IN WHICH CASE PROFESSIONAL SHALL INDEMNIFY THE CITY INDEMNITEES TO THE EXTENT OR PROPORTION OF NEGLIGENCE ATTRIBUTED TO PROFESSIONAL, ITS OFFICERS, AGENTS, OR EMPLOYEES AS DETERMINED BY A COURT OR OTHER FORUM OF COMPETENT JURISDICTION).

Notices of Claim. Professional shall promptly advise City in writing of any claim or demand against the City, related to or arising out of Professional's acts or omissions under this Agreement and shall see to the investigation and defense of such claims or demand at Professional's sole cost and expense; provided, that City, at its option and at its own expense, may participate in such defense without relieving Professional of any of its obligations hereunder. Professional's obligations under this section shall not be limited to the limits of coverage of insurance maintained or required to be maintained under this Agreement.

THE PROVISIONS OF THIS SECTION SHALL SURVIVE EXPIRATION OR TERMINATION OF THIS AGREEMENT FOR A PERIOD OF FOUR (4) YEARS.

Section 11. Notice.

All notices required by this Agreement shall be in writing and addressed to the parties at the addresses set forth on the signature page(s) of this Agreement (or to such other address that may be designated by the receiving party from time to time in accordance with this section). All notices shall be delivered by (a) personal delivery, (b) certified or registered mail (in each case, return receipt requested, postage prepaid), (c) nationally recognized overnight courier (with all fees pre-paid), or (d) email of a pdf document containing the required notice. Such notice or document shall be deemed to be delivered or given, whether actually received or not, (i) when received if delivered or given in person, (ii) if sent by United States mail, three (3) business days after being deposited in the United States mail as set forth above, (iii) on the next business day after the day the notice or document is provided to a nationally recognized carrier to be delivered as set forth above, or (iv) if sent by email, the next business day. A confirmation of delivery report which reflects the time that the email was delivered to the recipient's last notified email address is prima facie evidence of its receipt by the recipient, unless the sender receives a delivery failure notification, indicating that the email has not been delivered to the recipient.

Section 12. Verifications by Professional

Professional's execution of this Agreement shall serve as its formal acknowledgement and written verification that:

(a) if the requirements of Subchapter J, Chapter 552, Government Code, apply to this Agreement and Professional agrees that the Agreement can be terminated if Professional knowingly or intentionally fails to comply with a requirement of that subchapter;

(b) pursuant to Texas Government Code Chapter 2270, that Professional's organization does not presently boycott Israel and will not boycott Israel during the term of this Agreement; and

(c) pursuant to Texas Government Code Chapter 2251, that Professional's organization does not current discriminate against firearm and ammunition industries and will not for the term of the contract. Discriminating means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations

specifically with the firearm or ammunition industry or with a person or entity doing business in the firearm or ammunition industry, but does not include an action made for ordinary business purposes.

Section 13. **Miscellaneous**

(a) Professional shall not assign or sublet this Agreement, in whole or in part, without the prior written consent of City. (b) Professional shall comply with all federal, state, county, and municipal laws, ordinances, resolutions, regulations, rules, and orders applicable to the services under this Agreement. (c) The laws of the State of Texas shall govern this Agreement; and venue for any action concerning this Agreement shall be in the state district courts of Dallas County, Texas. The parties agree to submit to the personal and subject matter jurisdiction of said courts. (d) This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and there are no oral understandings, statements or stipulations bearing upon the meaning or effect of this Agreement which have not been incorporated herein. (e) The exhibits attached hereto, if any, are incorporated herein and made a part hereof for all purposes. (f) Unless expressly provided otherwise herein, this Agreement may only be modified, amended, supplemented or waived by a mutual written agreement of the parties. (g) In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it. (h) Any of the representations and obligations of the parties, as well as any rights and benefits of the parties pertaining to a period of time following the termination of this Agreement shall survive termination. (i) This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the parties. (j) Each party represents that it has full capacity and authority to grant all rights and assume all obligations granted and assumed under this Agreement. (k) Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK -
SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the Effective Date.

For City:

TOWN OF ADDISON, TEXAS

By:_____
David Gaines
City Manager

Date: _____

Notice Address:

Town of Addison
Attn: City Manager
P.O. Box 9010
Town of Addison, Texas 75001
E: dgaines@addisontx.gov

For Professional:

JACOBS ENGINEERING GROUP INC.

By: John Dames cn=John Dames, c=US, email=john.dames@jacobs.com 2023.02.06 12:27:42 -06'00'
John Dames, P.E.
Manager of Projects

Date: February 6, 2023

Notice Address:

Jacobs Engineering Group Inc.
Attn: Carlos A. Negron, P.E., Project Manager
1999 Bryan St Suite 3500
Dallas, Texas 75201
E: carlos.negron@jacobs.com

EXHIBIT "A"
SCOPE OF SERVICES

(attached)

EXHIBIT A: DESCRIPTION OF THE PROJECT

The "Project" shall mean the Keller Springs Road Revitalization Project (Addison Road to Dallas Parkway). References to the "ENGINEER" shall mean Jacobs Engineering Group Inc., references to the "TOWN" shall mean the Town of Addison, Texas.

The work to be performed by the ENGINEER under this Contract shall consist of providing engineering design support during construction for the reconstruction of Keller Springs Road, from Addison Road to Dallas Parkway. It is anticipated that the reconstruction will begin at the east curb return of the Addison Road intersection and extend to the west curb return of the Dallas Parkway intersection. The reconstruction of the Addison Road or Dallas Parkway intersection is not included in the Project.

The scope of work to be performed under this Agreement shall generally consist of the following services:

- Meetings
  - Pre-Construction Meeting
  - Construction Progress Meetings
  - Construction Coordination Meetings
  - Public Meetings – Preparation\Participation
- Design Support
  - Review Submittals & Shop Drawings
  - Respond to RFI's & Questions
  - Prepare Field Directives & Change Orders
  - Site Visits
  - Miscellaneous Reviews
- Landscape and Irrigation
  - Review Landscape and Irrigation Submittals
  - Landscape & Irrigation Field Reviews
  - Final Walk-Through & Punchlist
  - One-Year Warranty Walk-Through & Punchlist
- Traffic Signalization
  - Review Traffic Signal Submittals (Temporary & Permanent)
  - Traffic Signal Field Reviews
  - Final Walk-Through & Punchlist
  - One-Year Warranty Walk-Through & Punchlist
- Review Construction Contractor's Monthly Pay Requests
- Coordination with Franchised Utilities
  - Construction Coordination/Review with Franchised/Private Utilities
  - Project-wide Coordination/Progress Meetings
  - Franchised/Private Utility Field Visits
- Final Acceptance\Warranty
  - Final Walk-Through & Punchlist
  - Recommendation of Project Acceptance
  - One-Year Warranty Walk-Through & Punchlist
  - Recommendation of Release of Bonds
- Prepare Record Drawings

- Additional Services (including but not limited to the following specific tasks below)
    - Design Services to re-bid Keller Springs Road
        - Update Title Sheet name to “Drainage, Utility, and Paving Improvements for Keller Springs Road” for the re-procurement of the Keller Springs Road Project
        - Review and revise 30" RCP location along Quorum Drive (5' trench) of RCP relative to pavement joints to minimize impact. This will affect the structural detail for the junction box as well.
        - Add a pass-through along Mary Kay Way with roadway design
        - Parcel 108 (Kensington) - shift median east so that WB traffic can turn into west driveway of parcel. This will adjust the storage for NB movement to Quorum Drive.
        - Add driveway back into Parcel 108 at air release valve that will be removed.
        - Revisit parking spot study (research) for Parcel 108/111.
        - Provide updates from one review by Town of Plans and Specifications after revisions.
        - Option for One lane only to remain open during Box Culvert Installation.
        - Assist in re-procurement of Keller Springs Road project in approximately 6 months.
    - Additional Services not Specifically Listed in the Scope of Work
    - Supplemental Survey Work (including but not limited to the following specific tasks below)
        - Additional topography to add a pass-through along Mary Kay Way
        - Additional survey for information related to other revisions

EXHIBIT A
DESIGN SUPPORT DURING CONSTRUCTION
Keller Springs Road - Addison Road to Dallas North Tollway
Exhibit B

Task			Total	Subtotal	Total (as Requested)	Subtotal
	Meetings					
A1		Pre-Construction Meeting (1 meeting)	$ 5,000.00			
A2		Construction Progress Meetings			$ 12,000.00	
A3		Construction Coordination Meetings			$ 28,800.00	
A4		Public Meetings - Preparation\Participation			$ 6,400.00	
				$ 5,000.00		$ 47,200.00
	General Design Support During Construction					
B1		Review Submittals & Shop Drawings (review of submittals and shop drawings required by contract specifications)	$ 36,000.00			
B2		Respond to RFI's (up to 30 RFI's)	$ 16,000.00			
B3		Prepare Field Directives & Change Orders			$ 26,000.00	
B4		Site Visits			$ 3,200.00	
B5		Miscellaneous Reviews			$ 4,800.00	
				$ 52,000.00		$ 34,000.00
	Landscape and Irrigation					
B6		Review Landscape and Irrigation Submittals (up to 10 submittals)	$ 5,000.00			
B7		Landscape & Irrigation Field Reviews			$ 5,000.00	
B8		Final Walk-Through & Punchlist (1 walk-through)	$ 2,000.00			
B9		One-Year Warranty Walk-Through & Punchlist (1 walk-through)	$ 1,000.00			
				$ 8,000.00		$ 5,000.00
	Traffic Signalization					
B10		Review Traffic Signal Submittals (Temporary & Permanent) (up to 10 submittals)	$ 6,000.00			
B11		Traffic Signal Field Reviews			$ 6,520.00	
B12		Final Walk-Through & Punchlist (1 walk-through)	$ 1,460.00			
B13		One-Year Warranty Walk-Through & Punchlist (1 walk-through)	$ 1,460.00			
				$ 8,920.00		$ 6,520.00
	Construction Pay Requests					
C1		Review Monthly Construction Pay Requests			$ 16,000.00	
	Franchised Utilty Construction					
D1		Construction Coordination with Franchised Utilities including Virtual Meetings (up to 8 months from Construction NTP)			$ 47,000.00	
		Projectwide Coordination Meetings (up to 6 in-person meetings)			$ 18,700.00	
D2		Franchised/Private Utility Field Visits (up to 8 months)			$ 6,800.00	
						$ 72,500.00
	Final Accceptance\Warranty					
E1		Final Walk-Through & Punchlist (1 walk-through)	$ 1,600.00			
E2		Recommendation of Project Acceptance			$ 3,200.00	
E3		One-Year Warranty Walk-Through & Punchlist (1 walk-through)	$ 1,600.00			
E4		Recommendation of Release of Bonds			$ 3,200.00	
				$ 3,200.00		$ 6,400.00
	Record Drawings					
F1		Prepare Record Drawings (update plans from Contractor Mark-ups)	$ 8,000.00			
	Additional Services					
G1		Design Services to re-bid Keller Springs Road	$ 46,260.00			
G2		Additional Services not Specifically Listed in the Scope of Work			$ 50,000.00	
G3		Supplemental Survey Work			$ 22,000.00	$ 50,000.00
Direct		Direct Costs (with prior Town approval)			$ 9,000.00	
		Total	$ 131,380.00		$ 268,620.00	

Total $ 400,000.00

Council Meeting 2023 **10.**

Meeting Date: 02/13/2023

Department: Infrastructure- Development Services
Pillars: Excellence in Asset Management
Milestones: Promote and protect the Addison Way

AGENDA CAPTION:

Consider Action on a Resolution **Approving an Agreement Between the Town of Addison and Kleen Pipe Inc. for the Repair of the Celestial Place Stormwater Piping and Authorizing the City Manager to Execute the Agreement** in an Amount Not to Exceed $57,471.25.

BACKGROUND:

The purpose of this item is to approve an agreement with Kleen Pipe to repair underground stormwater pipes on Celestial Place.

These services will be purchased through BuyBoard. This state-wide collective purchasing agency bids out services and products for its members to provide the leverage needed for better pricing on products, equipment, and services.

Town staff inspected the stormwater pipe last year after noticing some pavement failures in the area. It was discovered that the stormwater line underneath the street had separation at multiple pipe joints, allowing sediment and debris to infiltrate the stormwater line. The attached price quote reflects the cost of the needed stormwater line repairs. Another contractor will repair pavement damage caused by the infiltration of the stormwater pipes, which is not included in this Kleen Pipe agreement.

This purchase was approved as a decision package as part of the FY23 budget process and is budgeted in the FY23 Stormwater Operations and Maintenance budget.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution - Kleen Pipe

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING A CONTRACT SERVICES AGREEMENT WITH KLEEN PIPE INC. FOR UNDERGROUND PIPE MAINTENANCE SERVICES IN AN AMOUNT NOT TO EXCEED $57,417.25; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council desires to authorize a contract services agreement with Kleen Pipe Inc. for underground pipe maintenance services (the "Agreement"), as more particularly described in Estimate # EST-7000 attached thereto.

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

SECTION 1. The City Council hereby approves the Agreement between the Town of Addison and Kleen Pipe, Inc. for the above-referenced services in conformance in an amount not-to-exceed of $57,471.25 a copy of which is attached to this Resolution as **Exhibit A**. The City Manager is hereby authorized to execute the agreement.

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 ***13th*** day of ***FEBRUARY***, ***2023***.

TOWN OF ADDISON, TEXAS

_____
Joe Chow, Mayor

ATTEST:

_____
Irma Parker, City Secretary

CONTRACT SERVICES AGREEMENT
Underground Pipe Maintenance

This Contract Services Agreement ("Agreement") is made by and between the **Town of Addison, Texas** ("City"), and **Kleen Pipe, Inc.** (**"**Contractor") (each a "party" and collectively the "parties"), acting by and through their respective authorized representatives.

RECITALS

WHEREAS, City desires to engage Contractor to perform certain work and services, hereinafter referred to only as "services", as further specified in the Scope of Services defined in Section 1 of this Agreement; and

WHEREAS, Contractor has expressed a willingness to perform said services in conformance with this Agreement.

NOW, THEREFORE, for and in consideration of the covenants and promises made one to the other herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. Scope of Services

Upon notice to proceed by City, Contractor agrees to provide the necessary services, labor, materials, equipment and supplies related to the pipe maintenance services described in **Exhibit A** hereto and pursuant to the Contract Documents. Contractor shall not be entitled to any claim for extra services, additional services or changes in the services, except as expressly authorized in writing in advance by City.

Section 2. Term of Agreement

The term of this Agreement shall begin on the last date of execution hereof (the "Effective Date") and shall continue until Contractor completes the services required herein and the City has accepted the same, unless sooner terminated as provided in this Agreement

Section 3. Contract Documents

This Agreement is a part of the "Contract Documents", which include:

(1) This Agreement, including all exhibits and addenda hereto;
(2) Contractor's Estimate dated 1/9/2023 (# Est -7000) attached as **Exhibit A**;
(3) City's written notice(s) to proceed to the Contractor;
(4) Properly authorized change orders; and
(5) Any other materials distributed by the City that relate to the services.

In the event there exists a conflict between any term, provision and/or interpretation of the Contract Documents, the documents shall take precedent and control in the order listed above in this section. If discrepancies are found that may impact construction of the services, it shall be the Contractor's obligation to seek clarification as to which requirements or provisions control before undertaking any work on that component of the services. Should the Contractor fail or refuse to seek a clarification of such conflicting or inconsistent requirements or provisions prior to any work on that component of the services, the

Contractor shall be solely responsible for the costs and expenses - including additional time - necessary to cure, repair and/or correct that component of the services.

Section 4. Contractor's Obligations

(a) Performance of Services. Contractor shall furnish and pay for all labor, tools, materials, equipment, supplies, transportation and management necessary to perform the services. To the extent reasonably necessary, Contractor may engage the services of any agents, assistants, or other persons that Contractor may deem proper to assist in the performance of the services under this Agreement; provided, that Contractor shall be responsible for all costs related thereto, except as expressly authorized in writing in advance by City.

(b) Standard of Care. Contractor shall perform the services with the skill and care ordinarily provided by competent Contractors practicing in the same or similar locality and under the same or similar circumstances and Contractor licenses. Contractor shall be responsible for the Contractor quality, technical accuracy, and the coordination of all services under this Agreement. Contractor shall, without additional compensation, correct or revise any errors or deficiencies in the services. Contractor shall further make, without expense to City, such revisions to the services as may be required to meet the needs of City and which are within the Scope of Services.

(c) City Directives. Contractor shall comply with and timely execute the City's directives in all matters related to the operation of the City's special events parking including, without limitation, operating procedures, security, traffic control, hours of operation, locations and priority of space assignments, space markings, and general customer service matters. Contractor acknowledges that the parking areas identified in the Contract Documents may vary from time to time and that City retains sole discretion to determine the actual location of the parking areas for all City events.

(d) Customer Claims and Complaints. Contractor shall investigate and report to the City, in a manner satisfactory to the City; all complaints and all claims made for loss of or damage to vehicles or other property related to the services. In the event that any written complaint with respect to Contractor's services under this Agreement is delivered to the Contractor, Contractor agrees that it will deliver a copy of the complaint to the City within twenty-four (24) hours after Contractor's receipt of the complaint and will promptly prepare a response for the City to review, making a good-faith attempt to explain, resolve, or rectify the cause of the complaint. The City reserves the right to respond to such complaint directly.

(e) Additional Services. Should City require additional services not included under this Agreement, Contractor shall make reasonable effort to provide such additional services at mutually agreed charges or rates, and within the time schedule prescribed by City; and without decreasing the effectiveness of the performance of services required under this Agreement.

(f) No Waiver of City's Rights. Neither City's review, approval/acceptance of, nor payment for any of the services required under this Agreement, shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and Contractor shall be and remain liable to City in accordance with applicable law for all damages to City caused by Contractor's negligent performance of any of the services furnished under this Agreement.

(g) Independent Contractor. It is understood and agreed by and between the parties that Contractor, while performing under this Agreement, is acting independently, and that City assumes no responsibility or liabilities to any third party in connection with Contractor's actions. All services to be performed by Contractor pursuant to this Agreement shall be in the capacity of an independent contractor,

and not as an agent or employee of City. Contractor shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Agreement. There is no intended third-party beneficiary to this Agreement.

(h) Inspection of Records. Contractor grants City and its designees the right to audit, examine or inspect, at City's election, all of Contractor's Records relating to the performance of services under this Agreement, during the term of the Agreement and any retention period herein. City's audit, examination or inspection of Contractor's Records may be performed by a City designee, which may include its internal auditors or an outside representative engaged by City. Contractor agrees to retain Contractor's Records for a minimum of four (4) years following termination of the Agreement, unless there is an ongoing dispute under the contract; then, such retention period shall extend until final resolution of the dispute. "Contractor's Records" shall include any and all information, materials and data of every kind and character generated as a result of the services under this Agreement. City agrees that it will exercise its right to audit, examine or inspect Contractor's Records only during regular business hours. Contractor agrees to allow City and its designees access to all of Contractor's Records, Contractor's facilities and the current or former employees of Contractor, deemed necessary by City or its designee(s), to perform such audit, inspection or examination.

(i) Confidential Information. Contractor agrees it will notify City in writing if it considers specific information to be confidential or proprietary trade secrets and will use its best efforts to clearly mark all such information as "Confidential" and/or "Proprietary – Trade Secret" at the time it is delivered or made accessible to City. City acknowledges that all such designated information is considered by Contractor to be confidential and the exclusive property of Contractor. Notwithstanding the foregoing, Contractor acknowledges that this Agreement, and all services performed hereunder, are subject to the legal requirements of the Texas Public Information Act and that City will have no obligation to protect or otherwise limit disclosure of any confidential or proprietary information if Contractor has not notified City of such designation in conformance with this section. Contractor agrees and covenants to protect any and all proprietary rights of City in any materials provided to Contractor. Additionally, any materials provided to Contractor by City shall not be released to any third party without the consent of City and shall be returned intact to City upon termination or completion of this Agreement or if instructed to do so by City. In the event City delivers to Contractor information that it has expressly marked "Confidential" or has notified Contractor is confidential or is the proprietary information of a third-party, Contractor agrees it shall not disclose to anyone directly or indirectly during the term of this Agreement or at any time thereafter, any such information, nor shall it use any such information for any purpose other than in connection with Contractor's performance of the services under this Agreement. Contractor shall further, at its own expense, defend all suits or proceedings instituted against City and pay any award of damages or loss resulting from an injunction, against City, insofar as the same are based on any claim that materials or services provided under this Agreement constitute an infringement of any patent, trade secret, trademark, copyright or other intellectual property rights.

(j) Certification of No Conflicts. Contractor hereby warrants to the City that Contractor has made full disclosure in writing of any existing or potential conflicts of interest related to Contractor's services under this Agreement. In the event that any conflicts of interest arise after the Effective Date of this Agreement, Contractor hereby agrees immediately to make full disclosure to the City in writing.

Section 5. Performance Schedule

(b) Time for Performance. Contractor shall perform all services as provided for under this Agreement in a proper, efficient, timely, and Contractor manner in accordance with City's requirements. In the event Contractor's performance of this Agreement is delayed or interfered with by acts of the City or

others, Contractor may request an extension of time in conformance with this Section 5 for the performance of same as hereinafter provided but shall not be entitled to any increase in fee or price, or to damages or additional compensation as a consequence of such delays.

(c) Extensions; Written Request Required. No allowance of any extension of time, for any cause whatever (including an event of Force Majeure as defined herein below), shall be claimed or made to Contractor, unless Contractor shall have made written request upon City for such extension within forty-eight (48) hours after the cause for such extension occurred, and unless City and Contractor have agreed in writing upon the allowance of additional time to be made.

Section 6. Payment.

(a) Payment Terms. City agrees to pay Contractor for all services authorized in writing and properly performed by Contractor in general conformance with the fee schedule(s) established in the Contract Documents, subject to changes in the Scope of Services or additional services agreed upon in writing. Unless otherwise agreed by the parties, all payments to Contractor by City shall be based on detailed monthly invoices submitted by Contractor for work performed and accepted by City, less any previous payments. Payment will be due within 30 days of the City's receipt and acceptance of an approved invoice. Notwithstanding the foregoing, City reserves the right to delay, without penalty, any payment to Contractor when, in the opinion of City, Contractor has not made satisfactory progress on any component of the services described in the Scope of Services

(b) Compensation. Contractor's total compensation for the services under this Agreement shall not exceed FIFTY-SEVEN THOUSAND FOUR HUNDRED AND SEVENTY-ONE DOLLARS AND 25/100 ($57,471.25), subject to the parties' mutual agreement for Contractor to provide additional services in conformance with this Agreement. City may deduct from any amounts due or to become due to Contractor any sum or sums owing by Contractor to City. In the event of any breach by Contractor of any provision or obligation of this Agreement, or in the event of the assertion by other parties of any claim or lien against City, or City's premises, arising out of Contractor's performance of this Agreement, City shall have the right to retain out of any payments due or to become due to Contractor an amount sufficient to completely protect City from any and all reasonably anticipated loss, damage or expense therefrom, until the breach, claim or lien has been satisfactorily remedied or adjusted by Contractor.

(c) Appropriation of Funding. All payments made hereunder shall be paid solely from lawfully available funds that have been appropriated by the City. Under no circumstances shall the City's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. Consequently, notwithstanding any other provision of this Agreement, the City shall have no obligation or liability to pay any amount due under this Agreement unless the City appropriates funds to make such payment during the budget year in which said amount is payable; provided that during the term of this Agreement the City will take such steps as necessary to appropriate funding for the Project each fiscal year in an amount sufficient to satisfy the reasonably anticipated payment(s) that will become due to Contractor during the ensuing fiscal year. City shall not be obligated to pay any commercial bank, lender or similar institution for any loan or credit agreement made by the Contractor. None of the City's obligations under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution.

Section 6. Default; Force Majeure

(a) Default; Notice to Cure. A party shall be deemed in default under this Agreement if the party is in breach of a material provision of this Agreement and said breach is not cured within fifteen (15)

days written notice of default by the other party. In the event the breaching party has notified the other party in writing that it is diligently working to cure the breach and has provided reasonable evidence in support of the same, the breaching party shall not be deemed in default until the thirtieth (30th) day following the non-breaching party's notice of default.

(b) Default by Contractor. In addition to default under Section 6(a) above, Contractor shall be in default under this Agreement if Contractor fails to comply or becomes disabled and unable to comply with the provisions of this Agreement related to Contractor's performance of the services, including the quality or character of the services or time of performance for any material component of the services. If such default is not corrected within ten (10) days from the date of City's written notice to Contractor regarding the same, City may, at its sole discretion without prejudice to any other right or remedy:

(i) Terminate this Agreement and be relieved of the payment of any further consideration to Contractor except for all services determined by City to be satisfactorily completed prior to termination. Payment for services satisfactorily completed shall be for actual costs, including reasonable salaries and travel expenses of Contractor to and from meetings called by City at which Contractor is required to attend, but shall not include any loss of profit of Contractor. In the event of such termination, City may proceed to complete the services in any manner deemed proper by City, either by the use of its own forces or by re-subletting to others; or

(ii) City may, without terminating this Agreement or taking over the services, furnish the necessary labor, materials, equipment, supplies and/or assistance necessary to remedy the situation, at the expense of Contractor.

(c) Force Majeure. To the extent either party of this Agreement shall be wholly or partially prevented from the performance of any obligation or duty placed on such party by reason of or through work strikes, stoppage of labor, riot, fire, flood, acts of war, insurrection, court judgment, or a government restriction, quarantine or mandatory closure order enacted in response to a pandemic or other public health crises, or other specific cause reasonably beyond the parties control and not attributable to its malfeasance, neglect or nonfeasance (each an event of "Force Majeure"), the time for performance of such obligation (other than a payment obligation) may be extended for a period equal to the time lost by reason such event, provided, that the party complies with the provisions of this section. Specifically, the party asserting Force Majeure (i) shall give prompt notice to the other party of the prevention of performance as soon as the asserting party is reasonably aware of such prevention, and (ii) has the burden of demonstrating (A) how and why their performance was so prevented, (B) the period of time during which they were so prevented from performing (which under the facts may be equal to, or shorter or longer than, the duration of the Force Majeure event itself), and (C) that the party used commercially reasonable efforts to mitigate and/or eliminate such prevention and resumed performance under this Agreement as soon as reasonably practicable.

Section 7. Termination; Suspension

(a) Termination Upon Default. Either party may terminate this Agreement upon written notice if the other party is in default of this Agreement, subject to the defaulting party's right to cure in conformance with the terms of this Agreement.

(b) Termination by City. City shall be entitled to terminate this Agreement, with or without cause, by providing thirty (30) days prior written notice to Contractor.

(c) Termination Following Request for Modification. Should City require a modification of this Agreement with Contractor, and in the event City and Contractor fail to agree upon a modification to this Agreement, City shall have the option of terminating this Agreement and Contractor's services hereunder at no additional cost other than the payment to Contractor, in accordance with the terms of this Agreement, for the services reasonably determined by City to be properly performed by Contractor prior to such termination date.

(d) Suspension. City reserves the right to suspend this Agreement for the convenience of City by issuing a written notice of suspension which shall describe City's reason(s) for the suspension and the expected duration of the suspension. Such expected duration shall, in no way, guarantee what the total number of days of suspension shall occur. Such suspension shall take effect immediately upon Contractor's receipt of said notice. Should such suspension extend past the expected duration identified by City in its latest notice of suspension, Contractor shall have the right to terminate this Agreement if Contractor if (i) Contractor provides not less than thirty (30) days prior written notice to City requesting to recommence the services, and (ii) City does not recommence the services within the time requested.

Section 8. Insurance

Contractor shall during the term hereof maintain in full force and effect all policies of insurance reasonably required by City. Contractor's obligation to provide acceptable certificates of insurance is a material condition of this Agreement, and services under this Agreement shall not commence until certificates of insurance have been received, reviewed, and accepted by City. The minimum coverages and limits of liability for the policies of insurance required under this Agreement are maintained by and accessible through the City's purchasing department.

Section 9. Indemnification; Notice.

CITY SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE, OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY ARISING FROM THE SERVICES OF CONTRACTOR PURSUANT TO THIS AGREEMENT. CONTRACTOR HEREBY WAIVES ALL CLAIMS AGAINST CITY, ITS OFFICERS, AGENTS AND EMPLOYEES (COLLECTIVELY REFERRED TO IN THIS SECTION AS "CITY INDEMNITEES") FOR DAMAGE TO ANY PROPERTY OR INJURY TO, OR DEATH OF, ANY PERSON ARISING AT ANY TIME AND FROM ANY CAUSE OTHER THAN THE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CITY INDEMNITEES. CONTRACTOR AGREES TO INDEMNIFY AND SAVE HARMLESS THE CITY INDEMNITEES FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS, SUITS, COSTS (INCLUDING COURT COSTS, REASONABLE ATTORNEYS' FEES AND COSTS OF INVESTIGATION) AND ACTIONS OF ANY KIND BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF PROPERTY TO THE EXTENT CAUSED BY THE NEGLIGENT PERFORMANCE OF SERVICES UNDER THIS AGREEMENT OR BY REASON OF ANY NEGLIGENT ACT OR OMISSION ON THE PART OF CONTRACTOR, ITS OFFICERS, DIRECTORS, SERVANTS, EMPLOYEES, REPRESENTATIVES, CONSULTANTS, LICENSEES, SUCCESSORS OR PERMITTED ASSIGNS (EXCEPT WHEN SUCH LIABILITY, CLAIMS, SUITS, COSTS, INJURIES, DEATHS OR DAMAGES ARISE FROM OR ARE ATTRIBUTED TO THE NEGLIGENCE OR WILFUL MISCONDUCT OF A CITY INDEMNITEE, IN WHOLE OR IN PART, IN WHICH CASE CONTRACTOR SHALL INDEMNIFY THE CITY INDEMNITEE TO THE EXTENT OR PROPORTION OF NEGLIGENCE ATTRIBUTED TO CONTRACTOR, ITS OFFICERS, AGENTS, OR EMPLOYEES AS DETERMINED BY A COURT OR OTHER FORUM OF COMPETENT JURISDICTION).

Notices of Claim. Contractor shall promptly advise City in writing of any claim or demand against the City, related to or arising out of Contractor's acts or omissions under this Agreement and shall see to the investigation and defense of such claims or demand at Contractor's sole cost and expense; provided, that City, at its option and at its own expense, may participate in such defense without relieving Contractor of any of its obligations hereunder. Contractor's obligations under this section shall not be limited to the limits of coverage of insurance maintained or required to be maintained by Contractor under this Agreement.

THE PROVISIONS OF THIS SECTION SHALL SURVIVE TERMINATION OF THIS AGREEMENT FOR A PERIOD OF FOUR (4) YEARS.

Section 10. Notice.

All notices required by this Agreement shall be in writing and addressed to the parties at the addresses set forth on the first page of this Agreement (or to such other address that may be designated by the receiving party from time to time in accordance with this section). All notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), or e-mail of a PDF document (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a notice is effective only (a) upon receipt by the receiving party, and (b) if the party giving the notice has complied with the requirements of this section.

Section 11. Verifications by Contractor

Contractor's execution of this Agreement shall serve as its formal acknowledgement and written verification that:

(a) if the requirements of Subchapter J, Chapter 552, Government Code, apply to this Agreement and Contractor agrees that the Agreement can be terminated if Contractor knowingly or intentionally fails to comply with a requirement of that subchapter;

(b) pursuant to Texas Government Code Chapter 2270, that Contractor's organization does not presently boycott Israel and will not boycott Israel during the term of this Agreement; and

(c) pursuant to Texas Government Code Chapter 2251, that Contractor's organization does not current discriminate against firearm and ammunition industries and will not for the term of the contract. Discriminating means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with the firearm or ammunition industry or with a person or entity doing business in the firearm or ammunition industry, but does not include an action made for ordinary business purposes.

Section 12. Miscellaneous

(a) Contractor shall not assign or sublet this Agreement, in whole or in part, without the prior written consent of City. (b) Contractor shall comply with all federal, state, county and municipal laws, ordinances, resolutions, regulations, rules, and orders applicable to the services under this Agreement. (c) The laws of the State of Texas shall govern this Agreement; and venue for any action concerning this Agreement shall be in the state district courts of Dallas County, Texas. The parties agree to submit to the personal and subject matter jurisdiction of said courts. (d) This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and there are no oral understandings, statements or stipulations bearing

upon the meaning or effect of this Agreement which have not been incorporated herein. (e) The exhibits attached hereto, if any, are incorporated herein and made a part hereof for all purposes. (f) Unless expressly provided otherwise herein, this Agreement may only be modified, amended, supplemented or waived by a mutual written agreement of the parties. (g) In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it. (h) Any of the representations and obligations of the parties, as well as any rights and benefits of the parties pertaining to a period of time following the termination of this Agreement shall survive termination. (i) This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the parties. (j) Each party represents that it has full capacity and authority to grant all rights and assume all obligations granted and assumed under this Agreement. (k) Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK -
SIGNATURE PAGE FOLLOWS]

EXHIBIT A

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the Effective Date.

For City:

TOWN OF ADDISON, TEXAS

By:_____
David Gaines
City Manager

Date: _____

ATTEST:

By:_____
Irma Parker
City Secretary

Notice Address:

Town of Addison
Attn: David Gaines, City Manager
P.O. Box 9010
Addison, Texas 75001
E: dgaines@addisontx.gov

For Contractor: KLEEN PIPE INC.

By: Michael S Janczak

Name: Michael S Janczak

Title: Pres/CEO

Date: Feb 2, 2023

Notice Address: Kleen Pipe, Inc.
7636 County Road 526
Mansfield, Texas 76063
E: mjanczak@kleenpipe.com

EXHIBIT A

KLEEN PIPE
UNDERGROUND PIPE MAINTENANCE

ESTIMATE

 # EST-7000

Estimate Date : 01/09/2023

Attn : Buy Board #635-21

Job : Install 5 - 45" x 48" Pipe Patch

Bill To:
Town of Addison
16801 Westgrove Dr.
Addison, Texas 75001

Description	Qty	Rate	Amount
Scope of Service - Install 5 - 45" Pipe Patches in location as directed by client. Client responsible for applicable traffic control and access. Buy Board #635-21	1.00 Ea	0.00	0.00
42" to 48" x 48" Summer Kit for use with Pillow"No Dig" Pipe Repair; includes all materials and equipment for five (5) 42" to 48" x 48" Pipepatch repair installation - (Excludes line pre-cleaning/surface prep if applicable)	5.00 Ea	7,551.25	37,756.25
Specialty Equipment Rental - Pillow Packer 42"-48" x 48" w/Harness - includes 1 week use	1.00 Ea	5,500.00	5,500.00
Air Compressor Weekly Rental	1.00 Ea	1,290.00	1,290.00
Service Truck - Daily Rate	5.00 Day	185.00	925.00
Technician x 4 - Estimated Allowance; actual T&M will be invoiced	160.00 Hr	75.00	12,000.00
		Sub Total	57,471.25
		Total	**$57,471.25**

Kleen Pipe Standard Terms & Conditions

Client to provide access to additional water source; Spoils to be dumped and washed out onsite unless otherwise noted; KP will arrange for disposal and water upon request, at an additional cost. Backfilling HX trench work and/or safety measures beyond stakes and caution tape excluded but available at an additional cost.

Traffic control beyond cones (if applicable) is available at an additional cost (otherwise traffic control is client responsibility)

Client will provide clear and adequate access to all working locations and pipe access points. Any delays or problems with access not related to KP may be subject to standard "Stand By" rates or return charges when applicable.

Hourly rates are port to port, including disposal and decontamination of equipment; Overtime rates apply after eight (8) hours, after 5:00pm on weekdays; or on weekends.

All hourly quoted work will be invoiced on actual Time and Material basis unless noted above (4 hr onsite minimum applies); All LF quotes will be invoiced at the actual distance completed (a minimum LF charge will be applicable when noted). All lines not completed but do include a reverse attempt will be considered complete and invoiced in total.

Client agrees other charges incurred but not listed above or added during the job will be invoiced at normal KP rates.

1

EXHIBIT A

KP will provide base level insurance coverage and associated COI to client as required and/or requested; Additional insurance coverage, bonding, or other that exceeds KP standard levels will be prorated and invoiced accordingly

Standard terms are NET 30 days from the date of the invoice. Owner/Client must provide sales tax exemption certificate prior to job start, if applicable, otherwise local and state level tax rate will apply. All Sales are Final.

Council Meeting 2023 **11.**

Meeting Date: 02/13/2023

Department: Finance

Pillars: Gold Standard in Financial Health

Milestones: Continue development and implementation of Long Term Financial Plan

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AGENDA CAPTION:

Present, Discuss, and Consider Action on **Acceptance of the Fiscal Year 2022 Annual Comprehensive Financial Report (ACFR)**.

BACKGROUND:

The Addison Town Charter requires that staff prepare an Annual Comprehensive Financial Report (ACFR) that shows the status of the Town's finances. The ACFR is required to be prepared in accordance with generally accepted accounting principles. The charter also requires that the Town's financial statements be audited annually by an independent external auditing firm. The results of the independent external audit are included in the ACFR.

The Town of Addison Finance Department has prepared the ACFR for the fiscal year ended September 30, 2022. The ACFR is a report of the Town's overall financial results. The Town's financial statements have been audited by FORVIS, LLP, an independent firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town are free of material misstatement.

In addition to providing an overview of the Town of Addison ACFR for Fiscal Year 2022, FORVIS will present their audit report and opinion on the Town's financial statements.

FORVIS has issued an unmodified opinion, which means that financial statements are presented fairly, in all material respects, and in accordance with the applicable financial reporting framework. Simply stated, an unmodified opinion is a clean opinion.

RECOMMENDATION:

Administration recommends acceptance.

Attachments

Presentation - ACFR 2022

Annual Comprehensive Financial Report 2022
Single Audit 2022
SAS Report 2022



Town of Addison, Texas

FY2022 Audit Presentation to City Council

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Introductions



Rachel Ormsby, CPA

Director

Lead Audit Engagement Executive

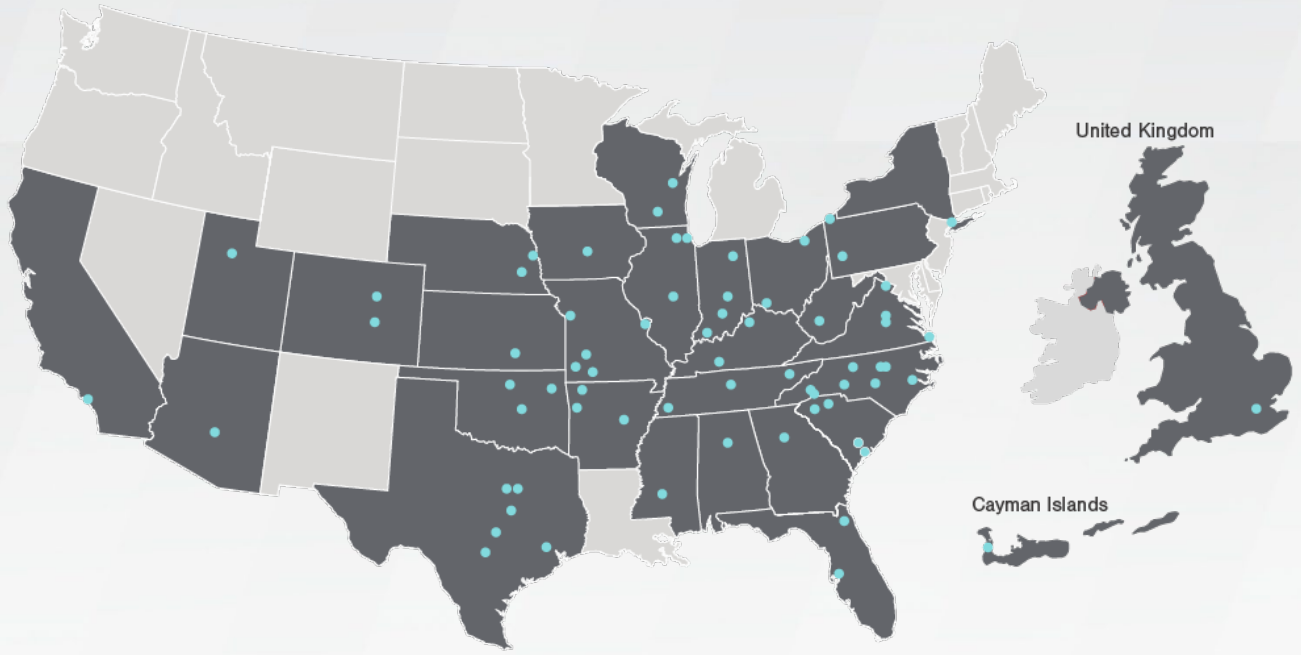
Rachel.Ormsby@forvis.com

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FORVIS

As a top 10 firm with true national coverage, we're now exponentially stronger—for the benefit of our clients, our people, and the market of the future.



8th
Largest U.S. Firm*

530+
Partners & Principals

28
States + U.K. & Cayman Islands**

10+
Industries

5,700+
Team Members

72
Markets

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Agenda



Audit Scope and Results



Future Pronouncements and Other Matters



Financial Overview



Questions

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Audit Scope and Results

FORVIS

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Audit Scope and Results

- Unmodified “Clean” Opinions
  - Independent Auditor’s Report on Basic Financial Statements
  - Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* – Independent Auditor’s Report
  - Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance – Independent Auditor’s Report

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Audit Scope and Results (cont.)

- Qualitative Aspects of Significant Accounting Policies and Practices
  - Significant Accounting Policies
    - The Town's significant accounting policies are described in *Note 1* of the audited financial statements.
  - Implementation of GASB 87, *Leases*
  - Alternative Accounting Treatments
    - No matters are reportable

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Audit Scope and Results (cont.)

- Qualitative Aspects of Significant Accounting Policies and Practices (continued)
  - Management Judgments and Accounting Estimates
    - Accounts receivable and related allowance for uncollectible amounts
    - Compensated absences
    - Total other postemployment benefits (OPEB) liability and related deferred inflows and outflows of resources
    - Net pension asset and related deferred inflows and outflows of resources
    - Key estimates related to leases – lease discount rate, lease term, and lease payments
    - Depreciation
  - Financial Statement Disclosures
    - Net pension asset
    - Total OPEB liability
    - Leases

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Audit Scope and Results (cont.)

- Audit Adjustments
  - Proposed audit adjustments recorded:
    - None
  - Proposed audit adjustments not recorded:
    - None

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Audit Scope and Results (cont.)

- Auditor's Judgments About the Quality of the Town's Accounting Principles
  - No matters are reportable.
- Significant Issues Discussed with Management During the Audit Process
  - Implementation of GASB Statement No. 87, *Leases*

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Future Pronouncements and Other Matters

FORVIS

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Accounting Updates - GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

Summary

- Provides guidance on reporting public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs).
  - PPPs: arrangement where government contracts with an operator to provide public services by conveying right to an asset
  - APAs: arrangement where a government compensates an operator for services such as designing, constructing, financing, maintaining or operating an asset
- Statement's language and concepts closely mirror the lease guidance provided in GASB 87, *Leases*.
- GASB 94 is effective for the Town's 2023 fiscal year.

Potential Impact

- Report a PPP asset and a corresponding PPP liability
- Disclose essential information about the arrangement

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Accounting Updates - GASB Statement 96, *Subscription-Based Information Technology Arrangements*

Summary

- Addresses the accounting for the costs related to cloud computing agreements.
- Statement's language and concepts closely mirror the lease guidance provided in GASB 87, *Leases*.
- GASB 96 is effective for the Town’s 2023 fiscal year.

Potential Impact

- Report a subscription asset and a corresponding subscription liability
- Disclose essential information about the arrangement

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Accounting Updates - GASB Statement No. 100, *Accounting Changes and Error Corrections*

Summary

- Updates accounting and financial reporting requirements for accounting changes and error corrections to address current diversity in practice
- Defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.
- GASB 96 is effective for the Town's 2024 fiscal year. Earlier application is encouraged.

Potential Impact

- For each type of accounting change and error correction, GASB 100 addresses accounting and reporting requirements, display, including display in the financial statements, note disclosures, and impact on required supplementary information (RSI) and supplementary information (SI).

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Accounting Updates - GASB Statement No. 101, *Compensated Absences*

Summary

- Updates the recognition and measurement guidance for compensated absences under a unified model.
- Defines compensated absences and requires that liabilities be recognized in financial statements prepared using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled.
- Liability for compensated absences should be accounted for and reported on a basis consistent with governmental fund accounting principles for financial statements prepared using the current financial resources measurement focus.
- GASB 96 is effective for the Town's 2025 fiscal year. Earlier application is encouraged.

Potential Impact

- GASB 101 amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change).
- No longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.
- The changes adopted at transition to conform to the provisions of GASB 101, should be reported as a change in accounting principle in accordance with GASB 100, including the related display and disclosure requirements

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Other Matters

- Meeting the Increasing Challenges of Cybersecurity
  - Cybersecurity Risk Assessment
    - Identifies possible threats to organizations and can help determine how well the organization can prevent, detect and respond to cyber-attacks
    - Addresses cybersecurity risk in the context of business risk and uses generally accepted frameworks
  - State of Texas Cybersecurity Awareness Training – annual basis – must be completed by August 31st each year

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Financial Overview Discussion

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General Fund – Unassigned Fund Balance

The Town has adopted a financial standard to maintain a General Fund minimum fund balance of 30% of budgeted expenditures.

Unassigned Fund Balance at 9/30/22	Adopted FY2023 Budget Total Expenditures	Unassigned Fund Balance as % of Adopted FY2023 Budget Total Expenditures
$19,837,487	$44,166,648	44.9%

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Texas Municipal Retirement System (TMRS)
Pension Funded Status
As of Measurement Year 2021 (12/31/21)

Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)	Percent Funded
$148,507,800	$154,879,692	($6,371,892)	104.3%

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Questions?

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The information set forth in this presentation contains the analysis and conclusions of the author(s) based upon his/her/their research and analysis of industry information and legal authorities. Such analysis and conclusions should not be deemed opinions or conclusions by FORVIS or the author(s) as to any individual situation as situations are fact specific. The reader should perform its own analysis and form its own conclusions regarding any specific situation. Further, the author(s) conclusions may be revised without notice with or without changes in industry information and legal authorities.
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Assurance / Tax / Advisory

Thank you!

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FORVIS has been registered in the U.S. Patent and Trademark Office, which registration is pending.

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Assurance / Tax / Advisory

Town of Addison, Texas

Annual Comprehensive Financial Report

For the Year Ended September 30, 2022

City Council

	Expiration of Term
Joe Chow, Mayor	May 2023
Kathryn Wheeler, Mayor Pro Tempore	May 2023
Lori Ward, Deputy Mayor Pro Tempore	May 2023
Tom Braun, Council Member	May 2023
Darren Gardner, Council Member	May 2024
Guillermo Quintanilla, Council Member	May 2024
Eileen Resnik, Council Member	May 2024

City Manager

David Gaines

Prepared by the
Department of Finance

Steven Glickman, CPA, CGFO, Chief Financial Officer
Amanda Turner, CPA, CGFO, Assistant Director of Finance
Ashley Wake, CFE, CGFO, Controller
Kristen Solares, CGFO, Budget Manager
Tandi Dickey, Accounting Supervisor
Ben Nguyen, Senior Treasury Analyst
Ismael Villalta, CPA, Senior Accountant
Daniel Cardona, Accountant
Eric Wellman, Accounting Specialist


ADDISON
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Town of Addison, Texas
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2022

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February 2, 2023

Honorable Mayor and Members of the City Council
Town of Addison, Texas

I am pleased to submit the Annual Comprehensive Financial Report of the Town of Addison, Texas for the fiscal year ended September 30, 2022. The purpose of the report is to provide the City Council, management, staff, the public, and other interested parties with detailed information reflecting the Town's financial condition.

THE REPORT

This report satisfies §103.001 of the Texas Local Government Code requiring annual audits of all municipalities and was conducted in accordance with Section 2.15 of the Charter of the Town of Addison. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. We believe the data is accurate in all material respects and is presented in a manner that fairly sets forth the financial position of the Town. We also believe all disclosures necessary to enable the reader to gain an understanding of the Town's financial affairs have been included. To provide a reasonable basis for making these representations, management of the Town of Addison has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Addison's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Town of Addison's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Annual Comprehensive Financial Report (ACFR) is organized into three major sections: *Introductory, Financial, and Statistical*. The *Introductory Section* provides general information on the government's structure and personnel as well as information useful in assessing the government's financial condition.

The *Financial Section* contains the opinion of the Town's independent auditor. The Town of Addison's financial statements have been audited by FORVIS, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Addison for the fiscal year ended September 30, 2022 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion (i.e., clean opinion) that the Town of Addison's financial statements for the fiscal year ended September 30, 2022 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Also included in the *Financial Section* is management's discussion and analysis (MD&A) that provides users of the basic financial statements a narrative introduction, overview, and analysis of those statements. The basic financial statements, including the accompanying notes, represent the core of the financial section. These financial statements present the financial condition of the Town of Addison as a single entity, as well as the individual funds that account for the Town's various governmental and business-type activities.

The report concludes with the *Statistical Section*, which, through the use of tables, presents comparative economic and financial data to give users of the report a perspective of the Town's performance over a number of years.

THE REPORTING ENTITY

The Town of Addison is located in the Dallas North Parkway area, which has been referred to as the "platinum corridor" of the Dallas Metroplex. The "platinum corridor," which is the area north of I-635 continuting up to Highway 121 in Frisco, developed rapidly over the past three decades, is home to affluent neighborhoods, hundreds of million-dollar companies, scores of quality restaurants, and two spacious malls. The malls, the Galleria and Stonebriar, both have over 200 stores. Additionally, the area holds the Willow Bend mall, which has over 125 stores. At 4.4 square miles, Addison is one of the smallest, yet most densely developed of the various suburbs located in the DFW Region. With just over 17,000 residents, the Town has developed into a cosmopolitan center which serves well over 125,000 business persons, shoppers, and visitors daily. Niche.com recognizes Addison as the top suburb in Texas for young professionals, and Nerdwallet.com recognizes Addison as the top community to start a business in Texas.



The Town was incorporated in 1953 and is operating under a Charter adopted in 1978 and last amended in January 2021. Under the amended Charter, the Council is comprised of a mayor and six council members who enact local legislation, determine policies, and adopt the Town's budget. The mayor and council members are elected for two-year terms with the mayor and three council members being elected each odd-numbered year and the remaining three council members elected each even-numbered year. The City Manager is appointed by the City Council and is responsible to them for the proper administration of the affairs of the Town.

The Town provides a full range of municipal services including general government, public safety (police and fire), streets, parks and recreation, planning and zoning, code enforcement, stormwater, and water and sewer utilities. Sanitation collection services are provided through private contractors; non-residential customers contract with the collection firm of their choice while single-family residential customers contract through the Town with sanitation fees added to their municipal utility bills.

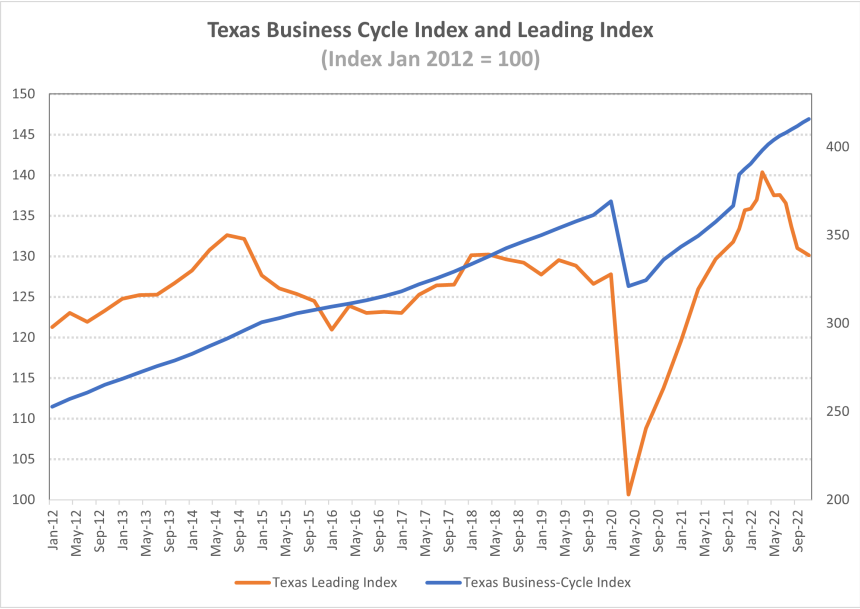
The annual budget of the Town of Addison serves as the foundation for the Town's financial planning and control. The budget is prepared by the City Manager and adopted by the City Council in accordance with policies and procedures established by the Town Charter and Council ordinances. The appropriated budget is prepared and presented by fund, department (e.g. police) or function (e.g. debt service), and major cost category (e.g. personal services). All expenses of the Town are made in accordance with the adopted annual budget. The department level is the legal level of control enacted by the Town Charter. Budgetary control is maintained at the individual expenditure account level by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors. Transfers between expenditure accounts in one department may occur with the approval of the Chief Financial Officer. Transfers between operating departments may occur with the approval of the City Manager and Chief Financial Officer provided that a department's total budget is not changed by more than five percent. Transfers between funds or transfers between departments that change a department's total budget by more than five percent must be accomplished by budget amendment approved by the City Council. Budget amendments calling for new fund appropriations must also be approved by the City Council.

Budget-to-actual comparisons are provided in this report for each major fund for which an appropriated annual budget has been adopted. For the non-major governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual fund financial statements and schedules section of this report.

FACTORS AFFECTING FINANCIAL CONDITION

Status of Local Economy

With its concentration of commercial and retail development, the Town of Addison's economy is strongly influenced by the region's economic climate. According to reports issued by the Federal Reserve Bank of Dallas, the Leading Index indicators decreased slightly while the Business Cycle Index indicators increased significantly during FY2022, primarily due to continued economic recovery following the COVID-19 pandemic. Both indices, after consistent increases throughout FY2021 showed varied results in FY2022. The Leading Index increased through March of 2022 before retreating to levels at the beginning of the fiscal year. The Business Cycle index continued strong gains throughout the fiscal year, a trend that bodes well for the continued economic strength of the Town.



The United States unemployment rate slightly decreased, but remained fairly consistent throughout fiscal year 2022. Texas ended the year above the nation as a whole. Texas began fiscal year 2022 at 5.0% unemployment, and ended the year at 4.0%, just above the U.S. rate of 3.5%.

Addison is densely developed with 11.4 million square feet of office space distributed among 120 office buildings. Much attention is given to the occupancy rates of buildings in Addison. At the end of September 2022, Addison's occupancy rate stood at 87 percent compared with the 78 percent recorded a year earlier. Addison's occupancy rate is 4 percent higher than the 83 percent average for all of the Dallas/Ft. Worth Area. (Source: CoStar Group)

The Town experienced a 3.0 percent increase in taxable property values for the fiscal year 2022 compared to a 2.2 percent increase for the fiscal year 2021.

For the 2022 fiscal year, General Fund revenues of $42.7 million represented a 1% increase from $42.2 million in fiscal year 2021, primarily due to increased sales taxes. The property tax levy produced 48% of the total revenue available to the Town's General Fund for this year, while the sales tax revenue category produced 41%. The Town's sales tax receipts increased 8.7 percent from fiscal year 2021. General Fund expenditures and transfers for the 2022 fiscal year totaled $42.4 million. The General Fund ending fund balance increased by $272 thousand to $20.5 million, with an ending fund balance of 51% of General Fund operating expenditures. Although the dollar value of fund balance increased, the fund balance percentage of operating expenditures decreased slightly due to the increase in expenditures from fiscal year 2021 to fiscal year 2022.

Long-Term Financial Planning

The City Council has adopted various financial policies for operations, capital, and debt management. Fiscal year 2022 was most significantly impacted by the Town's fund balance and long-term planning policies to ensure the continued stability of Town's funds throughout recovery from the Coronavirus pandemic.

Because the Town's major source of revenue is taxes, the Town occasionally offers tax abatement incentive agreements to attract new businesses and development. The Town believes these agreements attract quality businesses to our community that provide long-term benefits such as creating more jobs and increasing the tax revenue to spend on additional or enhanced services to our residents.

Users of this document, as well as others interested in the programs and services offered by the Town of Addison, are encouraged to read the Town's 2022-23 Annual Budget. The document details the Town's long-term goals and financial policies, describes program accomplishments and initiatives, and outlines the Town's capital improvement program. The Town's Annual Budget also includes long-term financial plans for the major operating funds that forecast revenues and expenditures over a five-year horizon. The plans are driven by financial policies adopted by the City Council that are designed to protect the Town's financial integrity. The policies include establishing significant fund balances, or reserves, to protect the Town from the boom/bust economic cycle common to the state and the region. The budget document can be obtained from the Town of Addison's Finance Department by calling (972) 450-7051. The Annual Budget can also be accessed through the department's website at:
http://addisontexas.net/index.php?section=finance-department_Addison-budget.

AWARDS AND ACKNOWLEDGMENTS

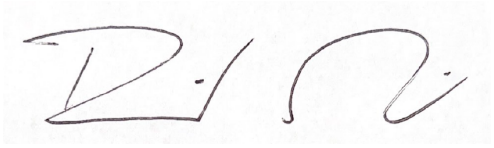
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the Town of Addison, Texas for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2021. The *Certificate*, which is reproduced herein, is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a *Certificate of Achievement*, a government unit must publish an easily readable and efficiently organized ACFR whose contents conform to program standards. The document must satisfy both generally accepted accounting principles and applicable legal requirements. A *Certificate of Achievement* is valid for a period of one year only. The Town of Addison has received a *Certificate* for the last 46 consecutive years. We believe our current report continues to conform to the *Certificate of Achievement* program requirements, and we are submitting it to GFOA for consideration.

In addition to the *Certificate*, the Town received GFOA's *Award for Distinguished Budget Presentation* for its fiscal year 2022 annual budget document. In order to qualify for the *Budget Award*, the Town's budget document was judged to be proficient or exceptional in several categories including policy documentation, financial planning, and operations guide. The Town has received the *Award* for 35 consecutive years.

Also, the Town earned the *Award for Achievement in Popular Annual Financial Reporting for the Popular Annual Financial Report* (PAFR) from GFOA for the first time for the fiscal year ended September 30, 2020. The PAFR is compiled by both the marketing and finance departments. The PAFR takes information from the ACFR and adds other valuable information about the Town in a format designed to be easily understandable to readers who have no background in public finance. Together, the *Budget Award, PAFR Award,* and the *Certificate* are evidence of the Finance Department's dedication to producing documents that effectively communicate the Town's financial condition to elected officials, city administrators, and the general public.

I wish to thank all members of the Finance Department who assisted in preparing and assembling the information presented in this report. I also acknowledge our auditors, FORVIS, LLP, and the assistance they provided in meeting the deadlines established for publication of the document. I am grateful for the support provided by the City Council, and affirm our pledge to be a resource to help them achieve the goals they have established for the Addison community.

Respectfully submitted,





David Gaines
City Manager

Steven Glickman, CPA, CGFO
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Addison
Texas

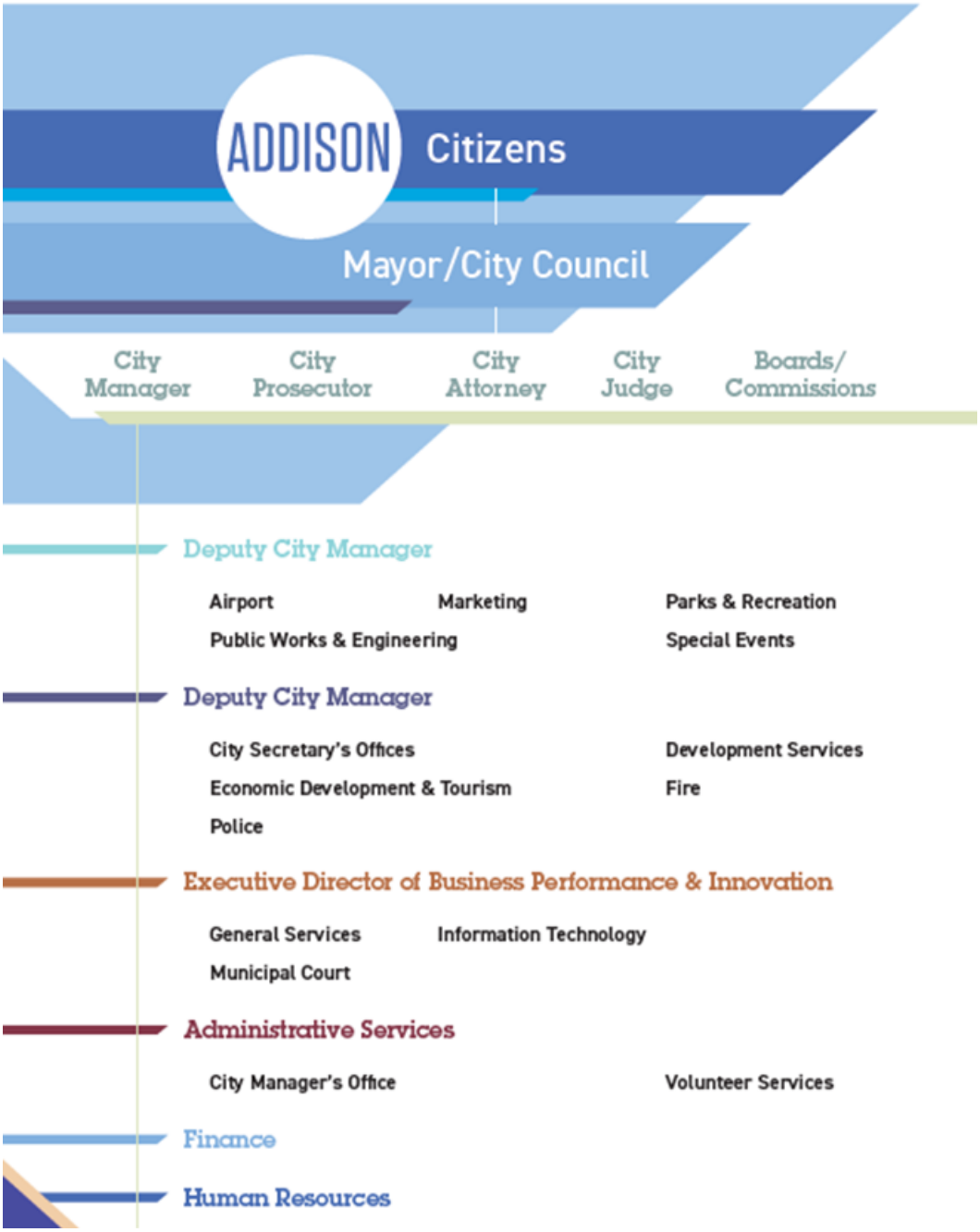
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

Addison Staff Organization Chart



Town of Addison
LIST OF PRINCIPAL OFFICIALS
September 30, 2022

Town Hall
(972) 450-7000
Fax (972) 450-7043

Elected Officials

Mayor	Joe Chow	(972) 450-7000
Mayor Pro Tempore	Kathryn Wheeler	(972) 450-7000
Deputy Mayor Pro Tempore	Lori Ward	(972) 450-7000
Council Member	Tom Braun	(972) 450-7000
Council Member	Darren Gardner	(972) 450-7000
Council Member	Guillermo Quintanilla	(972) 450-7000
Council Member	Eileen Resnik	(972) 450-7000

Town Management

City Manager	David Gaines	(972) 450-7037
Deputy City Manager	Ashley Shroyer	(972) 450-7010
Deputy City Manager	John Crawford	(972) 450-7036
Exec. Dir. of Business Performance & Innovation	Hamid Khaleghipour	(972) 450-7037
City Secretary	Irma Parker	(972) 450-7017
Director of Administrative Services	Bill Hawley	(972) 450-7016
Director of Airport Administration	Joel Jenkinson	(972) 392-4855
Director of Economic Development & Tourism	Orlando Campos	(972) 450-7034
Director of Development Services	Ken Schmidt	(972) 450-7027
Chief Financial Officer	Steven Glickman	(972) 450-7050
Fire Chief	David Jones	(972) 450-7206
Director of General Services	Rob Bourestom	(972) 450-6203
Director of Human Resources	Passion Hayes	(972) 450-2819
Director of Parks and Recreation	Janna Tidwell	(972) 450-2869
Police Chief	Paul Spencer	(972) 450-7168
Director of Public Communications	Mary Rosenbleeth	(972) 450-7032
Director of Public Works & Engineering	Shannon Hicks	(972) 450-2849
Interim Director of Special Events	Yesenia Saldivar	(972) 450-6251

FORVIS

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Independent Auditor's Report

The Honorable Mayor and
Members of the Town Council
Town of Addison, Texas

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Addison, Texas (Town), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and the hotel fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in *Note IV* to the financial statements, in fiscal year 2022, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information as listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information including the combining and individual fund financial statements and schedules are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive annual report. The other information comprises the introductory section and the statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS, LLP

Dallas, Texas
February 2, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

As management of the Town of Addison, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town of Addison for the fiscal year ended September 30, 2022. Readers are encouraged to read this narrative in conjunction with the transmittal letter at the front of this report and the Town's financial statements, which follow this section. ***All amounts reported in this MD&A, unless otherwise indicated, are expressed in thousands of dollars (000's).***

Financial Highlights

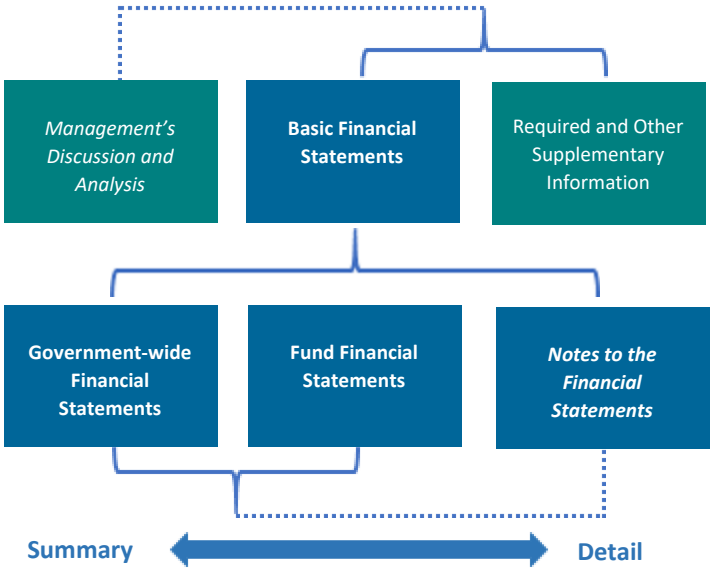
- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the 2022 fiscal year by $265,251. This amount represents an increase over the previous year of $6,917. The increase is due to higher revenue in charges for services and other taxes, which are offset by decreases in other revenue. While expenses did increase in almost all categories, the increases in revenue exceeded increases in expenses from fiscal year 2021.
- As of September 30, 2022, the Town's governmental funds reported combined ending fund balances of $87,887, an increase of $1,234. The majority of the increase is due to Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) grant funding received and applied to lost revenue in the Hotel Fund.
- At the end of the 2022 fiscal year, the fund balance for the General Fund was $20,515, or 51 percent of total fund expenditures. Fund balance increased $271 during the year. This slight increase was mainly due to additional sales tax and service fee collections as the economy recovers from the Coronavirus pandemic, and offset by an increase in public safety personnel costs from merit and market adjustments, less CSLFRF funding applied in this fund, and unrealized losses on investments purchased during the pandemic.
- At year-end, the Town of Addison's outstanding long-term liabilities totaled $156,433, an increase of $13,883 from the previous year, which is attributed to the issuance of 2022 General Obligation Bonds and 2022 Combination Tax and Revenue Certificates of Obligation, less principal payments made during the fiscal year.

Overview of Financial Statements

This annual report is comprised of four segments as dictated by generally accepted accounting principles (GAAP): *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information* and *other supplementary information*. The basic financial statements include two kinds of statements that present different views of the Town:

- The *government-wide financial statements* provide both long-term and short-term information about the Town's overall financial status.
- The fund financial statements focus on individual parts of Addison's government, reporting the Town's operations in more detail than the government-wide statements.
  - The *governmental funds statements* explain how general government services such as public safety were financed in the short-term, as well as what remains for future spending.
  - *Proprietary fund statements* offer short-term and long-term financial information about the activities the government operates as business-like, such as the airport.

Illustration A-1 Required Components of Town of Addison's Annual Financial Report



The financial statements also include *notes*, which elaborate on some of the information in the financial statements, providing more detailed data. These financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Illustration A-1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included other information such as the Town's statistical section, which, through the use of tables, presents comparative economic and financial data to give users of this report a perspective of the Town's financial performance over a number of years.

Illustration A-2 summarizes the major features of the Town's financial statements. The remainder of this overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

Illustration A-2
Major Features of Town of Addison's Government-wide and Fund Financial Statements

		Fund Statements	
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire Town government	Activities of the Town that are not proprietary, such as police, fire, and parks	Activities the Town operates similar to a private-sector business: airport, water/sewer utility, and storm water
Required financial statements	* Statement of net position * Statement of activities	* Balance Sheet * Statement of revenues, expenditures, and changes in fund balances * Budget and actual	* Statement of net position * Statement of revenues, expenses, and changes in net position * Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term
Type of inflow/outflow information	All Revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Addison's finances in a manner similar to a private-sector business. These statements can be located on pages 21-22 of this document.

- The *statement of net position* presents information on all of the Town's assets, liabilities, and deferred inflows and outflows, with the difference reported as *net position*. Over time, increases or decreases in net position **may** indicate the improvement or deterioration of the Town's financial position.
- The *statement of activities* presents information showing the Town's change in net position during the concluded fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements of the Town are divided into two categories:

- *Governmental activities* – These are functions such as fire, police, and other services that are principally supported by taxes and intergovernmental revenue.
- *Business-type activities* – These functions are intended to recover all or a significant portion of their costs through user fees and charges. The Town's airport, utility system and storm water system fall within this category.

Fund Financial Statements

A *fund* is a grouping of related accounts used to maintain control over resources which have been segregated for specific activities or objectives. The Town of Addison, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as *governmental activities*. However, unlike the government-wide financial statements, governmental fund financial statements focus on **short-term** inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the **long-term impact** of the government's **short-term financing** decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental *funds* and governmental *activities*.

The Town of Addison maintains 9 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all these funds, with the exception of the Economic Development Fund, Municipal Court Fund, Public Safety Fund, Grant Fund and PEG Fees Fund, which are considered non-major funds and are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for almost all its governmental funds. A budgetary comparison statement is provided for each fund to demonstrate compliance with this budget except for the Capital Projects Fund.

Proprietary Funds – Services for which the Town charges customers a fee are generally reported in the proprietary funds. Proprietary funds provide the same type of information as the government-wide statements, only in more detail. The Town of Addison maintains two different types of proprietary funds.

- *Enterprise funds* are used to report the same functions presented as *business-type activitie*s in the government-wide financial statements. The Town uses enterprise funds to account for its general aviation airport, storm water (drainage), and its utility (water and sewer) system.

- *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for its fleet of vehicles, major equipment, its technological information systems, and to repair and improve existing facilities. All of these services predominantly benefit governmental rather than business-type functions hence they have been included within *governmental activities* in the government-wide financial statements.

The proprietary fund financial statements provide separate information for Addison's airport, utility system, and storm drainage system, all of which are considered to be major funds of the Town of Addison. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements can be found on pages xx-xx of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Addison's funding of its obligations to provide pension benefits to Town employees through the Texas Municipal Retirement System (TMRS) and to provide other postemployment benefits to Town employees upon retirement.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented on pages 90-91.

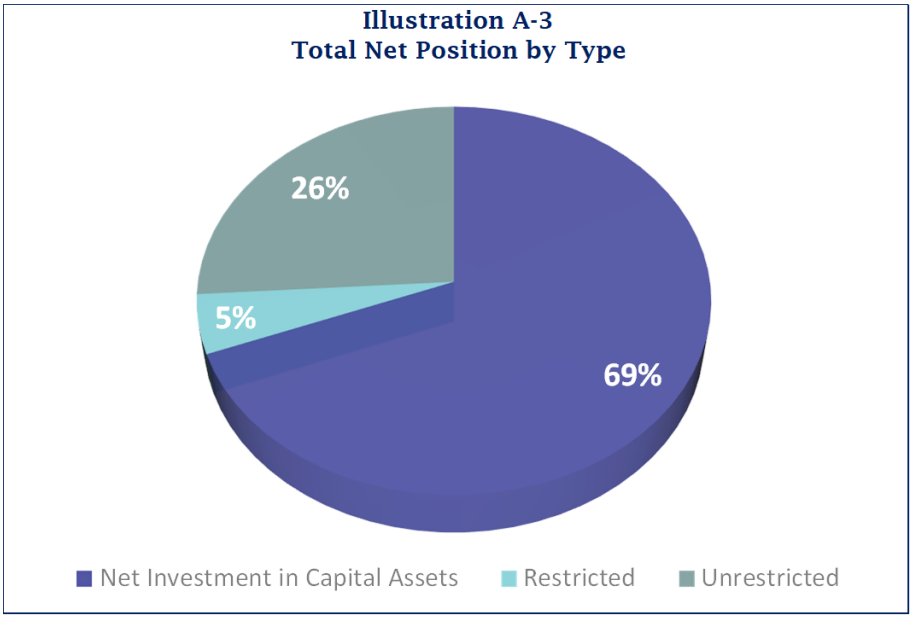
Government-wide Financial Analysis

As of the close of the 2022 fiscal year, the Town's net position (assets and deferred outflows exceeding liabilities and deferred inflows) totaled $265,251 (see Table A-1). Of this amount $183,426, or 69 percent, represents the Town's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The Town of Addison uses these capital assets to provide services to the community, these assets are not available for future spending. A portion of net position has been restricted for the Town's long-term general obligation debt ($770), promotion of tourism and hotel industry ($4,972), pensions ($6,372) and other restrictions ($643). The remaining amount of net position is labeled as unrestricted and totals $69,068. This amount is available to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Addison is able to report positive balances in these three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Table A-1
Town of Addison's Net Position (000's)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and Other Assets	$ 114,208	$ 104,504	$ 41,878	$ 38,127	$ 156,086	$ 142,631
Capital and Lease Assets	186,559	174,140	93,940	92,968	280,499	267,108
Total Assets	300,767	278,644	135,818	131,095	436,585	409,739
Deferred Outflows of Resources:						
Deferred Charges on Refundings	1,127	1,169	462	506	1,589	1,675
Deferred Outflows on Pensions	3,144	3,101	202	200	3,346	3,301
Deferred Outflows on OPEB	719	747	63	65	782	812
Total Deferred Outflows of Resources	4,990	5,017	727	771	5,717	5,788
Liabilities:						
Long-Term Liabilities Outstanding	123,396	110,524	33,037	32,026	156,433	142,550
Other Liabilities	8,238	7,168	2,853	3,487	11,091	10,655
Total Liabilities	131,634	117,692	35,890	35,513	167,524	153,205
Deferred Inflows of Resources:						
Deferred Inflows on Pensions	8,824	3,548	513	206	9,337	3,754
Deferred Inflows on OPEB	175	215	15	19	190	234
Total Deferred Inflows of Resources	8,999	3,763	528	225	9,527	3,988
Net Position:						
Net Investment in Capital Assets	115,284	118,883	68,142	68,127	183,426	187,010
Restricted :						
Debt Service	770	662	-	-	770	662
Tourism/Hotel	4,972	2,711	-	-	4,972	2,711
Child Safety	141	126	-	-	141	126
Justice Administration	72	33	-	-	72	33
Court Technology	41	32	-	-	41	32
Public Safety	124	113	-	-	124	113
Court Security	47	39	-	-	47	39
Other Purposes	218	403	-	-	218	403
Pensions	6,022	-	350	-	6,372	-
Unrestricted	37,433	39,204	31,635	28,001	69,068	67,205
Total Net Position	$ 165,124	$ 162,206	$ 100,127	$ 96,128	$ 265,251	$ 258,334

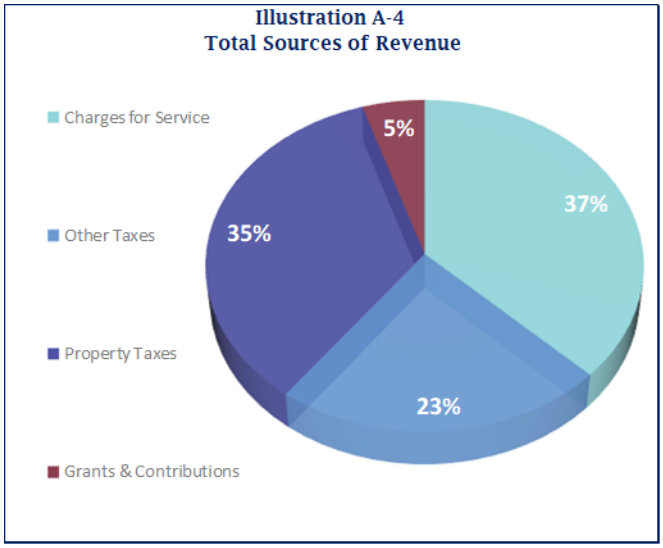


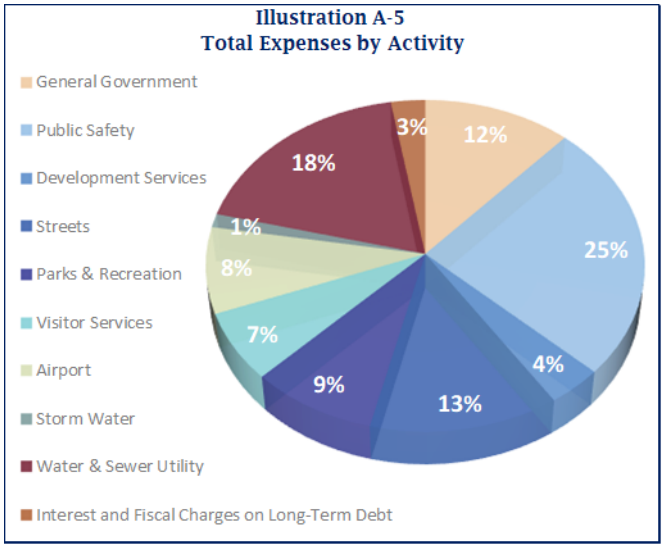
As reflected in Table A-2, the Town's net position increased $6,917 during the 2022 fiscal year.

Table A-2
Town of Addison's Change in Net Position (000's)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	$ 7,287	$ 4,436	$ 25,246	$ 21,382	$ 32,533	$ 25,818
Capital Grants & Contributions	25	229	2,055	121	2,080	350
Operating Grants & Contributions	2,244	2,935	198	107	2,442	2,942
General Revenues:						
Property Taxes	30,444	29,960	-	-	30,444	29,960
Other Taxes	24,071	20,806	-	-	24,071	20,806
Other	(3,074)	1,223	(927)	216	(4,002)	1,439
Total Revenues	60,997	59,589	26,572	21,826	87,569	81,415
Expenses:						
General Government	9,416	9,265	-	-	9,416	9,265
Public Safety	20,332	20,235	-	-	20,332	20,235
Development Services	3,061	3,438	-	-	3,061	3,438
Streets	10,669	7,619	-	-	10,669	7,619
Parks & Recreation	7,024	6,676	-	-	7,024	6,676
Visitor Services	5,397	5,012	-	-	5,397	5,012
Interest and Fiscal Charges on Long-Term Debt	2,179	2,007	-	-	2,179	2,007
Airport	-	-	6,758	6,236	6,758	6,236
Storm water	-	-	1,061	1,065	1,061	1,065
Water & Sewer Utility	-	-	14,754	13,101	14,754	13,101
Total Expenses	58,079	54,252	22,573	20,402	80,652	74,654
Increase (decrease) in net position	2,918	5,337	3,999	1,424	6,917	6,761
Transfers	-	56	-	(56)	-	-
Change in Net Position	2,918	5,393	3,999	1,368	6,917	6,761
Net Position - Beginning of year	162,206	156,813	96,128	94,760	258,334	251,573
Net Position - End of year	$ 165,124	$ 162,206	$ 100,127	$ 96,128	$ 265,251	$ 258,334

Note: 2021 balances are not restated for GASB 87





Governmental Activities

Governmental activities increased the Town of Addison's net position by $2,918 in fiscal year 2022 as compared to a $5,393 increase in fiscal year 2021. The major changes from 2021 to 2022 are as follows:

1. Hotel tax revenue increased by $1,843 due to increased hotel occupancy related to economic recovery following the coronavirus pandemic.
2. Sales taxes revenue increased by $1,296 as the economy recovers from the financial impact of the Coronavirus pandemic.
3. Property tax revenue increased by $483 due to increased taxes to service newly issued debt.
4. Visitor Services revenue increased by $1,056 primarily due to funds received from the CSLFRF applied to lost revenue in the Hotel Fund.
5. General Government grants and contributions decreased by $895 due to funds received from the CSLFRF applied to the General Fund in the prior fiscal year.
6. Net Investment Income/(Loss) decreased $3,692 due to decreases in the market value of the Town's investment portfolio as a result of actions taken by the Federal Open Market Committee in 2022.
7. Overall expenses increased $3,701 primarily due to increased street maintenance expenses.
8. Charges for services increased $2,851 primarily due to increased reimbursements of expenses for joint projects.

Business-Type Activities

The Town's business-type activities experienced a $3,999 increase in net position with the Airport Fund recording a increase of $1,869, due mainly to increases in rental charges, where some leases are CPI adjusted, fuel flowage fees from increased fuel usage, and capital grants and contributions related to reversion of leasehold improvements to the Town. The Utility Fund posted an increase in net position of $568, due mainly to increased water sales resulting from a hot and dry summer. The Storm Water Fund posted an increase in net position of $1,160, mainly due to maintaining drainage fee rates that cover the stormwater operational costs and build healthy reserves.

Financial Analysis of the Government Funds

Governmental funds – The focus of the Town of Addison's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending following the end of the fiscal year.

As of September 30, 2022, the Town's governmental funds reported combined ending fund balances of $87,887, an increase of $1,233 compared to balances a year earlier. Of the ending balance, $19,837 or 22.6 percent is *unassigned* and is available to the Town for future spending. Most of the remaining fund balance is *restricted* for future capital projects ($45,062), promotion of tourism and hotel industry ($4,641), debt service ($652) or *committed* for Economic Development ($1,980) and Capital Projects ($14,430). Components of the net increase of total fund balance are:

- In the General Fund, expenditures and transfers out totaled $42,423 compared to revenues of $42,687. Expenditures increased $1,940 from the 2021 fiscal year. This increase is primarily due to the increases in public safety ($1,085), general government ($255), and parks and recreation services ($388), all due to inflation and rising costs of supplies and services and increases in public safety personnel costs. Revenues increased $480 from the previous year. The increase was mainly due to an increase in sales tax offset by decreases in investment earnings and intergovernmental revenue from the CSLFRF.
- In the Hotel Fund, expenditures and transfers out to other funds totaled $5,561 compared to revenues and transfers in of $7,492. Fund revenues increased $2,870 from the previous year due in large part to increased hotel occupancy taxes as travel began to return to pre-pandemic levels as well as an increase in intergovernmental revenue as a result of funds received from the CSLFRF used to replace lost revenue. Expenditures increased $543 from fiscal year 2021 as the fund returned to pre-pandemic operations.
- The General Obligation Debt Service Fund recorded a net increase in fund balance of $79, primarily because property tax collections were higher than anticipated due to the higher collection rate. The net increase in fund balance for fiscal year 2022 is $488 less than the net increase for fiscal year 2021 due to the pending property tax litigation that took place after COVID-19 in 2021.

- The Capital Project Fund recorded a net decrease in fund balance of $876, primarily due to capital expenditures of $23,700 offset by revenue ($337), transfers in ($1,800) and the proceeds received from the issuance of 2022 General Obligation Bonds and 2022 Tax and Revenue Certificates of Obligations, both of which will be expended in the future. The Town is steadily spending its bond proceeds in accordance with its five year capital improvement projects plan. Included in these funds is the Infrastructure Investment Fund with an ending fund balance of $5,629 as of September 30, 2022. Other balances included are for capital projects funded with bond proceeds that have not been spent as of the end of the fiscal year as well as savings from general operations transferred to the Self-Funded Project fund for future capital projects and a small fund designated for street maintenance.

Proprietary funds - The Town of Addison's proprietary funds provide the same type of information found in the government-wide financial statements. Unrestricted net position of the Airport Fund at the end of the fiscal year amounted to $7,704; the Utility Fund reported an unrestricted net position of $12,836, while the Stormwater Fund reported an unrestricted net position of $9,422.

General Fund Budgetary Highlights

Major differences between the original budget and the final amended budget are described below, ***not expressed in thousands of dollars (000's)***:

Sales tax revenue was amended to recognize an increase in sales tax collections by $1,010,875. Additionally, the budget was amended for personnel costs associated with the City Manager's Office, Fire, and Parks. The budget was also amended to appropriate funds for temporary employment services in the General Services Department, to transfers funds to the Facility Maintenance Fund and Hotel Fund, to fund the Addison Holiday in the Park event, advertising, miscellaneous expenditures, and funding to Metrocrest Services from City Council Special Projects. Additional appropriations were also made for contractual services in Emergency Communications, water purchases in the Parks Department due to the hot and dry summer, and funds to replace a bus shelter damaged by a motorist in the Parks Department. All budget amendments approved did not result in a net change to appropriations.

The adjustments resulted in increasing budgeted revenue 2.5 percent and increasing expenditures by 2.4 percent. $1,800,000 was transferred to the Self-Funded Project Fund for future capital needs. This was authorized by Section 3 of the September budget amendment ordinance that allowed the City Manager to transfer unexpended appropriations and excess revenue at the end of the fiscal year.

The final actuals resulted in revenues 2.2 percent higher than the revised budget, due primarily to property and sales tax outperforming budget projections. Expenditures were 2.8 percent lower than the revised budget. The decrease in expenditures resulted from savings on maintenance and contractual services in various departments.

Capital and Lease Asset and Debt Administration

Capital and lease assets – As detailed in Table A-3 below, the Town of Addison's investment in capital and lease assets for its governmental and business-type activities as of September 30, 2022, totals $280,498 (net of accumulated depreciation/ amortization). This amount represents a $13,390 increase from the previous year and is attributed to the increase in current construction of assets less depreciation of existing assets. Some of the projects that are in progress include the Vitruvian Public Infrastructure, Midway Road Rehabilitation, Airport Parkway Reconstruction, Keller Springs Road Reconstruction, Kellway Lift Station Rehabilitation, and Rawhide Creek Basin Drainage Improvement. More information related to the Town's capital assets can be found in Sections; I, D, 4 and III, D of the Notes to Financial Statements.

Table A-3
Town of Addison's Capital and Lease Assets
(Net of Depreciation/Amortization) (000's)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	$ 71,358	$ 69,682	$ 17,259	$ 17,259	$ 88,617	$ 86,941
Intangible Assets	862	862	-	-	862	862
Buildings	7,518	8,093	14,622	6,246	22,140	14,339
Leased Buildings	352	-	-	-	352	-
Improvements other than Buildings	64,345	70,810	54,836	55,552	119,181	126,362
Machinery and Equipment	11,323	12,655	3,160	2,555	14,483	15,210
Leased Equipment	165	-	-	-	165	-
Construction in Progress	30,636	12,038	4,062	11,356	34,698	23,394
Total Capital and Lease Assets	$ 186,559	$ 174,140	$ 93,939	$ 92,968	$ 280,498	$ 267,108

Note: Table A-3 does not restate 2021 balances for GASB 87.

Long-term debt – At the end of the 2022 fiscal year, the Town of Addison had total bonded debt outstanding of $149,326 as detailed in Table A-4. The Town of Addison maintains an underlying bond rating of “AAA” from Standard & Poor’s and “Aaa” from Moody’s. Several of the Town’s outstanding debt issuances are insured. More information related to the Town’s long-term debt can be found in Section III, F of the Notes to Financial Statements.

Table A-4
Town of Addison's Outstanding Bonded Debt (000's)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	$ 90,964	$ 75,791	$ 11,279	$ 11,835	$ 102,243	$ 87,626
Certificates of Obligation	25,949	26,774	21,134	19,446	47,083	46,220
Total Debt Outstanding	$ 116,913	$ 102,565	$ 32,413	$ 31,281	$ 149,326	$ 133,846

Economic Factors and Next Year’s Budget and Rates

The development of the Town's budget is guided by several factors including the Town's strategic plan and prevailing economic conditions. The fiscal year 2023 budget plan adopted by the City Council adheres to the Town's financial policies and preserves the Town's strong financial position while providing excellent levels of service. The annual budget is adopted within context of five-year financial plans for the General, Hotel, Airport, and Utility funds. The long-term financial plans project major operating revenues and categories of expenses. Changes in fund balances are monitored to ensure that the Town is in compliance with adopted fund balance policy.

Major programs in the General Fund continue to focus on public safety, community development and parks to ensure the high quality of life enjoyed by Addison citizens and visitors.

Revenue assumptions in the General Fund are expected to take into consideration current economic indicators. Revenues, such as property tax revenue and sales tax revenue, are forecasted using both historical results and current trends. Certified taxable property values in Addison totaled $5,630,931,020 for fiscal year 2023 which represented an 11.0 percent increase from the previous year. The property tax rate decreased to $0.609822 per $100 appraised value, from the previous fiscal year. Of the 2023 budget tax rate, $0.445082 was levied for operation/maintenance and $0.164740 for debt service.

Sales tax collections for the Town were conservatively budgeted from the amount collected in 2022. Sales tax collections were projected to increase in fiscal year 2023 compared to the 2022 budget.

Hotel occupancy tax collections were budgeted to increase by approximately 15.5 percent between fiscal year 2022 and fiscal year 2023.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town of Addison’s finances and to show the Town's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

Town of Addison
Finance Department
P.O. Box 9010
Addison, TX 75001
Telephone: (972) 450-7050
Email: sglickman@addisontx.gov

TOWN OF ADDISON
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Pooled Cash and Investments	$ 99,639,797	$ 32,590,209	$ 132,230,006
Receivables, Net of Allowances for Uncollectibles	6,233,648	3,065,257	9,298,905
Prepaid Items	636,808	-	636,808
Inventories, at Cost	41,092	-	41,092
Internal Balances	353,333	(353,333)	-
Investment in Joint Venture	1,280,937	6,226,451	7,507,388
Net Pension Asset	6,022,075	349,817	6,371,892
Capital Assets, Net of Accumulated Depreciation/ Amortization			
Land	71,357,956	17,258,730	88,616,686
Intangible Assets	862,221	-	862,221
Buildings	7,518,374	14,622,241	22,140,615
Leased Buildings	351,269	-	351,269
Improvements other than Buildings	64,344,906	54,835,848	119,180,754
Machinery and Equipment	11,323,430	3,160,312	14,483,742
Leased Equipment	164,976	-	164,976
Construction in Progress	30,636,375	4,062,406	34,698,781
Total Assets	300,767,197	135,817,938	436,585,135
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refundings	1,126,657	462,153	1,588,810
Deferred Outflows on Pensions	3,143,753	202,217	3,345,970
Deferred Outflows on OPEB	719,322	62,518	781,840
Total Deferred Outflows of Resources	4,989,732	726,888	5,716,620
LIABILITIES			
Accounts Payable and Accrued Liabilities	8,231,761	1,338,988	9,570,749
Customer Deposits	6,570	1,514,031	1,520,601
Long-Term Liabilities			
Due within One Year	7,105,855	1,940,354	9,046,209
Due in More Than One Year	116,289,957	31,096,919	147,386,876
Total Liabilities	131,634,143	35,890,292	167,524,435
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows on Pensions	8,824,066	512,582	9,336,648
Deferred Inflows on OPEB	174,563	15,181	189,744
Total Deferred Inflows of Resources	8,998,629	527,763	9,526,392
NET POSITION			
Net Investment in Capital Assets	115,283,708	68,142,152	183,425,860
Restricted for:			
Debt Service	770,005	-	770,005
Promotion of Tourism and Hotel Industry	4,972,399	-	4,972,399
Child Safety	140,935	-	140,935
Justice Administration	72,179	-	72,179
Court Technology	41,069	-	41,069
Court Security	46,639	-	46,639
Public Safety	124,490	-	124,490
Other Purposes	218,003	-	218,003
Pensions	6,022,075	349,817	6,371,892
Unrestricted	37,432,655	31,634,802	69,067,457
Total Net Position	$ 165,124,157	$ 100,126,771	$ 265,250,928

See accompanying notes to basic financial statements.

TOWN OF ADDISON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense)/Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense)/Revenue and Changes in Net Position: Primary Government: Business-type Activities	Net (Expense)/Revenue and Changes in Net Position: Primary Government: Total
Primary Government:							
Governmental Activities:							
General Government	$ 9,416,452	$ 802,863	$ 3,982	$ -	$ (8,609,607)	$ -	$ (8,609,607)
Public Safety	20,331,699	1,214,031	217,862	-	(18,899,806)	-	(18,899,806)
Development Services	3,061,515	1,155,862	3,060	-	(1,902,593)	-	(1,902,593)
Streets	10,669,363	2,916,935	-	-	(7,752,428)	-	(7,752,428)
Parks and Recreation	7,023,671	56,442	-	25,000	(6,942,229)	-	(6,942,229)
Visitor Services	5,396,612	1,140,565	2,018,853	-	(2,237,194)	-	(2,237,194)
Interest on Long-Term Debt	2,179,219	-	-	-	(2,179,219)	-	(2,179,219)
Total Governmental Activities	58,078,531	7,286,698	2,243,757	25,000	(48,523,076)	-	(48,523,076)
Business-Type Activities:							
Airport	6,758,415	7,160,453	198,000	1,928,920	-	2,528,958	2,528,958
Utilities	14,753,989	15,524,151	-	125,755	-	895,917	895,917
Stormwater	1,060,602	2,561,054	-	-	-	1,500,452	1,500,452
Total Business-Type Activities	22,573,006	25,245,658	198,000	2,054,675	-	4,925,327	4,925,327
Total Primary Government	$ 80,651,537	$ 32,532,356	$ 2,441,757	$ 2,079,675	(48,523,076)	4,925,327	(43,597,749)
General Revenues							
Taxes							
Property Taxes, Levied for General Purposes					30,443,817	-	30,443,817
Sales Taxes					17,409,213	-	17,409,213
Franchise Taxes					2,116,496	-	2,116,496
Hotel/Motel Taxes					4,545,644	-	4,545,644
Net Investment Income/(Loss)					(3,607,419)	(1,094,374)	(4,701,793)
Gain on Sale of Capital Assets					7,187	42,044	49,231
Miscellaneous					526,612	125,483	652,095
Total General Revenues and Transfers					51,441,550	(926,847)	50,514,703
Change in Net Position					2,918,474	3,998,480	6,916,954
NET POSITION, Beginning of Year					162,205,683	96,128,291	258,333,974
NET POSITION, End of Year					$ 165,124,157	$ 100,126,771	$ 265,250,928

See accompanying notes to basic financial statements.

Governmental Funds
Balance Sheet
September 30, 2022

	General Fund	Hotel	General Obligation Debt Service	Capital Project Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS:						
Pooled Cash and Investments	$ 21,060,390	$ 4,433,379	$ 649,198	$ 62,234,997	$ 2,841,807	$ 91,219,771
Receivables:						
Ad Valorem Taxes, Including Interest and Penalties, Net	196,574	-	83,130	2,944	11,457	294,105
Non-Property Taxes	2,854,884	778,410	-	-	-	3,633,294
Franchise Fees	309,305	-	-	-	-	309,305
Service Fees, Net	137,441	-	-	-	-	137,441
Ambulance, Net	313,641	-	-	-	-	313,641
Interest	109,649	16,845	2,920	234,494	12,945	376,853
Intergovernmental	-	-	-	204,990	-	204,990
Other	14,064	409,213	-	496,500	-	919,777
Due from Other Funds	-	-	-	353,333	-	353,333
Prepaid Items	636,808	-	-	-	-	636,808
Inventories, At Cost	41,092	-	-	-	-	41,092
Total Assets	$ 25,673,848	$ 5,637,847	$ 735,248	$ 63,527,258	$ 2,866,209	$ 98,440,410
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:						
Liabilities:						
Accounts Payable and Accrued Liabilities	$ 3,147,016	$ 441,606	$ -	$ 3,536,020	$ 268,024	$ 7,392,666
Customer Deposits	970	5,600	-	-	-	6,570
Total Liabilities	3,147,986	447,206	-	3,536,020	268,024	7,399,236
Deferred Inflows of Resources:						
Unavailable Resources	2,010,481	549,341	83,131	499,444	11,457	3,153,854
Total Deferred Inflows of Resources	2,010,481	549,341	83,131	499,444	11,457	3,153,854
Fund Balances:						
Nonspendable						
Inventories	41,092	-	-	-	-	41,092
Prepaid Items	636,808	-	-	-	-	636,808
Restricted						
Debt Service	-	-	652,117	-	-	652,117
Promotion of Tourism and Hotel Industry	-	4,641,300	-	-	-	4,641,300
Capital Projects	-	-	-	45,061,870	-	45,061,870
Child Safety	-	-	-	-	140,935	140,935
Justice Administration	-	-	-	-	43,286	43,286
Court Technology	-	-	-	-	41,069	41,069
Court Security	-	-	-	-	46,639	46,639
Public Safety	-	-	-	-	116,509	116,509
Governmental Public Education	-	-	-	-	218,003	218,003
Committed						
Capital Projects	-	-	-	14,429,924	-	14,429,924
Economic Development	-	-	-	-	1,980,287	1,980,287
Unassigned	19,837,481	-	-	-	-	19,837,481
Total Fund Balance	20,515,381	4,641,300	652,117	59,491,794	2,586,728	87,887,320
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 25,673,848	$ 5,637,847	$ 735,248	$ 63,527,258	$ 2,866,209	$ 98,440,410

See accompanying notes to basic financial statements.

TOWN OF ADDISON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

Total Fund Balances - Governmental Funds	$	87,887,320
The Town uses internal service funds to charge the costs of certain activities such as replacement of capital assets and information technology to appropriate functions in other funds. A portion of the assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position. The effect of this consolidation is to increase net position.		14,186,317
Capital and lease assets used in governmental activities, including infrastructure and developer contributions, are not financial resources and therefore are not reported in fund financial statements. Capital and lease assets of $180,429,768, net of accumulated depreciation/amortization of $157,338,723, exclusive of the capital assets of internal service funds with a net carrying value of $6,129,739, included above, increased net position in the government-wide financial statements.		180,429,768
Investment in Joint Venture is not financial resources and is not reported in the fund financial statements. Investment in Joint Venture increased net position in the government-wide financial statements.		1,280,937
Deferred losses on refundings of debt have been reflected net of amortization in the government-wide financial statements.		1,126,657
Bonds payable, contractual obligations, and related premium and discount amounts have not been included in the fund financial statements.		(116,912,421)
Accrued liabilities for compensated absences have not been reflected in the fund financial statements.		(1,138,476)
Total OPEB liability is not reflected in the fund financial statements.		(4,843,852)
Deferred outflows on OPEB, net of amortization, are not reflected in fund financial statements		719,322
Deferred inflows on OPEB, net of amortization, are not reflected in fund financial statements		(174,563)
Deferred outflows on pension costs, net of amortization, are not reflected in fund financial statements		3,143,753
Deferred inflows on pension costs, net of amortization, are not reflected in fund financial statements		(8,824,066)
Net pension asset is not reflected in fund financial statements		6,022,075
Leases payable are not reflected in fund financial statements		(501,061)
Interest payable on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements an interest expenditure is reported when due. The effect of recording accrued interest is to decrease net position.		(431,407)
Revenue from property taxes, sales taxes, franchise fees, court bonds, ambulance billing, and intergovernmental grants is a deferred inflow in the fund financial statements until it is considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectible accounts, in the government-wide statements.		3,153,854
Net Position of Governmental Activities	$	165,124,157

See accompanying notes to basic financial statements.

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2022

	General Fund	Hotel	General Obligation Debt Service	Capital Project Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:						
Ad Valorem Taxes	$ 20,454,052	$ -	$ 8,636,068	$ 308,459	$ 1,179,713	$ 30,578,292
Non-Property Taxes	17,347,888	4,353,355	-	-	-	21,701,243
Franchise Fees	2,078,651	-	-	-	37,845	2,116,496
Licenses and Permits	1,120,552	-	-	-	-	1,120,552
Intergovernmental	3,982	2,018,853	-	204,993	22,306	2,250,134
Service Fees	2,063,371	1,051,805	-	14,925	32,450	3,162,551
Fines and Forfeitures	301,404	-	-	-	57,738	359,142
Net Investment Income/(Loss)	(1,105,426)	(113,980)	(64,746)	(2,198,705)	(124,562)	(3,607,419)
Rental Charges	8,300	115,545	-	-	600	124,445
Recycling Proceeds	2,546	-	-	-	-	2,546
Other	411,732	24,255	3,600	2,007,425	30,912	2,477,924
Total Revenues	42,687,052	7,449,833	8,574,922	337,097	1,237,002	60,285,906
EXPENDITURES:						
Current:						
General Government	9,301,300	-	-	-	209,113	9,510,413
Public Safety	21,471,686	-	-	-	15,506	21,487,192
Development Services	1,643,483	-	-	-	1,487	1,644,970
Streets	2,047,734	-	-	-	-	2,047,734
Parks and Recreation	6,083,572	-	-	-	25,000	6,108,572
Visitor Services	-	5,177,008	-	-	-	5,177,008
Municipal Court	-	-	-	-	4,826	4,826
Economic Development	-	-	-	-	1,328,152	1,328,152
Debt Service:						
Principal Retirement	27,385	-	5,670,000	-	192,541	5,889,926
Interest and Fiscal Charges	5,498	-	2,931,724	-	15,698	2,952,920
Capital Projects:						
Engineering and Contractual Services	-	-	-	3,580,551	-	3,580,551
Construction and Equipment	-	-	-	20,119,010	-	20,119,010
Total Expenditures	40,580,658	5,177,008	8,601,724	23,699,561	1,792,323	79,851,274
Excess/(Deficiency) of Revenues over/(under) Expenditures	2,106,394	2,272,825	(26,802)	(23,362,464)	(555,321)	(19,565,368)
OTHER FINANCING SOURCES/(USES):						
Transfers In	-	41,875	-	1,800,000	384,000	2,225,875
Transfers Out	(1,841,875)	(384,000)	-	-	-	(2,225,875)
Proceeds on Asset Sales	7,187	-	-	-	-	7,187
Proceeds from Debt Issuance or Refunding	-	-	8,670,000	19,755,000	-	28,425,000
Payment to Refunded Bonds Escrow Agent	-	-	(9,477,585)	-	-	(9,477,585)
Premium on Issuance or Refunding	-	-	913,093	931,297	-	1,844,390
Total Other Financing Sources/(Uses)	(1,834,688)	(342,125)	105,508	22,486,297	384,000	20,798,992
Net Change in Fund Balance	271,706	1,930,700	78,706	(876,167)	(171,321)	1,233,624
Fund Balances at Beginning of Year	20,243,675	2,710,600	573,411	60,367,961	2,758,049	86,653,696
Fund Balances at End of Year	$ 20,515,381	$ 4,641,300	$ 652,117	$ 59,491,794	$ 2,586,728	$ 87,887,320

See accompanying notes to basic financial statements.

TOWN OF ADDISON
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Total Net Change in Fund Balances - Governmental Funds		$ 1,233,624
The Town uses internal service funds to charge the costs of certain activities such as replacement of capital assets and information technology to appropriate functions in other funds. A portion of the revenues and expenses of the internal service funds are included in governmental activities in the government-wide statement of activities. The effect of this consolidation is to increase net position.		213,002
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The effect of removing the capital outlays is to increase net position.		20,736,167
Capital assets purchased with governmental bonds and contributed to enterprise funds are not recognized in fund financial statements. The government-wide statement of activities will reflect an increase in expense.		(125,755)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of recording the current year's depreciation is to decrease net position. This amount excludes $1,081,296 depreciation in the internal service funds.		(8,695,304)
The Town's share of net gain from Investment in Joint Venture is not reflected in fund financials.		315,904
The issuance of long-term debt increases the current financial resources of governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but both have no effect on net position. The amortization of prepaid insurance associated with the issuance of long-term debt, bond premiums, bond discounts, and deferred gain/loss on refunding of long term debts is reported in the statement of activities but does not require the use of current financial resources. Therefore the effect of the amortization of these various items are not reported in the statement of revenues, expenditures, and changes in fund balance. This amount represents the decrease in net position of the following:		
New debt from bond issuances, including premiums, discounts, and loss on refundings	(30,197,324)	
Bond repayments, including refunded amounts of principal and premiums	15,075,520	
Amortization of premiums, discounts, and losses on refunding	731,579	(14,390,225)
The change in compensated absences liability is not shown in the fund financial statements. The net effect of the current year's decrease in liability is to increase net position.		106,557
The current year increase in the total OPEB liability of $248,816, amortization of deferred inflows and and outflows on OPEB of $13,164 are not shown in the fund financial statements. The effect of recording these amounts is to decrease net position.		(235,652)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements an interest expenditure is reported when due. The effect of recording the increase in accrued interest is to decrease net position.		(71,440)
Decrease in net pension liability of $2,119,333, increase of net pension asset of $6,022,075 and amortization of deferred inflows and outflows on pensions of $5,233,650, increase net position by decreasing the pension expense in each function.		2,907,758
Current year lease payments are expenditures in the fund financial statements, but they are shown as decreases of long-term debt in the government-wide financial statements. The effect of removing the lease payments is to increase net position.		219,926
Revenue from property taxes, sales taxes, hotel taxes, franchise fees, court bonds, ambulance billing, alarm billing, and intergovernmental grants not recognized in fund financial statements on the modified accrual basis is recognized on the accrual basis in the government-wide financial statements.		703,912
Change in Net Position of Governmental Activities		$ 2,918,474

See accompanying notes to basic financial statements.

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2022

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Ad Valorem Taxes:				
Current	$ 20,139,186	$ 20,139,186	$ 20,603,683	$ 464,497
Delinquent	(151,360)	(151,360)	(207,701)	(56,341)
Penalties and Interest	50,000	50,000	58,070	8,070
Total Ad Valorem	20,037,826	20,037,826	20,454,052	416,226
Non-Property Taxes:				
Sales Tax	13,700,000	14,710,875	15,997,283	1,286,408
Alcoholic Beverage Tax	1,200,000	1,200,000	1,350,605	150,605
Total Non-Property Taxes	14,900,000	15,910,875	17,347,888	1,437,013
Total Taxes	34,937,826	35,948,701	37,801,940	1,853,239
Franchise Fees:				
Electric Franchise	1,525,000	1,525,000	1,499,435	(25,565)
Gas Franchise	200,000	200,000	275,373	75,373
Telephone Franchise	250,000	250,000	185,927	(64,073)
Cable Franchise	130,000	130,000	124,416	(5,584)
Street Rental Franchise	-	-	(6,500)	(6,500)
Total Franchise Fees	2,105,000	2,105,000	2,078,651	(26,349)
Licenses and Permits:				
Business Licenses and Permits	129,700	129,700	148,026	18,326
Building and Construction Permits	960,400	960,400	972,526	12,126
Total Licenses and Permits	1,090,100	1,090,100	1,120,552	30,452
Service Fees:				
Public Safety	1,052,200	1,052,200	1,144,489	92,289
Urban Development	2,200	2,200	2,860	660
Streets and Sanitation	455,000	455,000	437,462	(17,538)
Recreation	70,300	70,300	39,690	(30,610)
Interfund	438,870	438,870	438,870	-
Total Service Fees	2,018,570	2,018,570	2,063,371	44,801
Fines and Forfeitures	245,000	245,000	301,404	56,404
Net Investment Income/(Loss)	100,000	100,000	(1,105,426)	(1,205,426)
Intergovernmental	-	-	3,982	3,982
Rental Charges	8,000	8,000	8,300	300
Recycling Proceeds	500	500	2,546	2,046
Other	235,000	235,000	411,732	176,732
Total Revenues	$ 40,739,996	$ 41,750,871	$ 42,687,052	$ 936,181

See accompanying notes to basic financial statements.

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2022

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
General Government:				
City Secretary:				
Salaries and Fringe Benefits	131,075	131,075	129,909	1,166
Supplies	10,950	10,950	4,726	6,224
Contractual Services	79,250	79,250	53,249	26,001
Total City Secretary	221,275	221,275	187,884	33,391
City Manager's Office:				
Salaries and Fringe Benefits	1,041,622	1,071,622	1,061,497	10,125
Supplies	21,698	21,698	33,719	(12,021)
Maintenance and Materials	37,097	37,097	35,782	1,315
Contractual Services	87,696	87,696	99,055	(11,359)
Capital Replacement	16,388	16,388	16,388	-
Total City Manager's Office	1,204,501	1,234,501	1,246,441	(11,940)
Financial and Strategic Services:				
Salaries and Fringe Benefits	1,194,879	1,194,879	1,163,272	31,607
Supplies	15,055	15,055	16,610	(1,555)
Maintenance and Materials	34,936	34,936	31,491	3,445
Contractual Services	491,531	491,531	502,647	(11,116)
Capital Replacement	28,309	28,309	28,309	-
Total Financial and Strategic Services	1,764,710	1,764,710	1,742,329	22,381
General Services:				
Salaries and Fringe Benefits	492,629	492,629	495,614	(2,985)
Supplies	32,320	32,320	24,384	7,936
Maintenance and Materials	107,748	93,733	108,824	(15,091)
Contractual Services	68,381	103,381	73,590	29,791
Capital Replacement	54,979	554,979	554,979	-
Capital Outlay	-	14,015	14,015	-
Total General Services	756,057	1,291,057	1,271,406	19,651
Municipal Court:				
Salaries and Fringe Benefits	516,729	516,729	508,353	8,376
Supplies	8,137	8,137	6,988	1,149
Maintenance and Materials	79,259	79,259	68,325	10,934
Contractual Services	81,439	81,439	82,089	(650)
Capital Replacement	27,173	27,173	27,173	-
Total Municipal Court	712,737	712,737	692,928	19,809
Human Resources:				
Salaries and Fringe Benefits	458,753	458,753	421,057	37,696
Supplies	70,858	70,858	84,545	(13,687)
Maintenance and Materials	986	986	1,054	(68)
Contractual Services	199,401	199,401	143,277	56,124
Capital Replacement	10,211	10,211	10,211	-
Total Human Resources	740,209	740,209	660,144	80,065

See accompanying notes to basic financial statements.

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2022

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Information Technology:				
Salaries and Fringe Benefits	1,239,603	1,239,603	1,127,380	112,223
Supplies	55,430	55,430	45,067	10,363
Maintenance and Materials	851,110	851,110	648,439	202,671
Contractual Services	93,015	93,015	97,362	(4,347)
Capital Replacement	17,892	17,892	17,892	-
Capital Outlay	-	-	16,314	(16,314)
Total Information Technology	2,257,050	2,257,050	1,952,454	304,596
Combined Services:				
Salaries and Fringe Benefits	60,000	60,000	62,808	(2,808)
Supplies	22,000	22,000	16,985	5,015
Contractual Services	1,280,400	1,280,400	1,135,243	145,157
Total Combined Services	1,362,400	1,362,400	1,215,036	147,364
City Council Special Projects:				
Salaries and Fringe Benefits	27,603	27,603	26,830	773
Supplies	18,000	18,000	28,290	(10,290)
Contractual Services	200,378	300,378	277,558	22,820
Total City Council Special Projects	245,981	345,981	332,678	13,303
Total General Government	9,264,920	9,929,920	9,301,300	628,620
Public Safety:				
Police:				
Salaries and Fringe Benefits	8,723,393	8,723,393	8,771,241	(47,848)
Supplies	267,174	267,174	313,417	(46,243)
Maintenance and Materials	275,607	275,607	322,630	(47,023)
Contractual Services	847,319	847,319	717,307	130,012
Capital Replacement	432,552	432,552	432,552	-
Capital Outlay	-	-	40,229	(40,229)
Total Police	10,546,045	10,546,045	10,597,376	(51,331)
Emergency Communications:				
Maintenance and Materials	65,167	79,167	133,167	(54,000)
Contractual Services	1,529,078	1,529,078	1,474,094	54,984
Total Emergency Communications	1,594,245	1,608,245	1,607,261	984
Fire:				
Salaries and Fringe Benefits	7,747,282	7,847,282	7,893,043	(45,761)
Supplies	282,185	282,185	294,419	(12,234)
Maintenance and Materials	285,548	285,548	327,840	(42,292)
Contractual Services	395,179	395,179	375,096	20,083
Capital Replacement	376,651	376,651	376,651	-
Total Fire	9,086,845	9,186,845	9,267,049	(80,204)
Total Public Safety	21,227,135	21,341,135	21,471,686	(130,551)

See accompanying notes to basic financial statements.

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2022

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Development Services:				
Development Services:				
Salaries and Fringe Benefits	1,461,091	1,461,091	1,372,921	88,170
Supplies	48,954	48,954	54,978	(6,024)
Maintenance and Materials	19,111	19,111	19,706	(595)
Contractual Services	240,754	240,754	158,184	82,570
Capital Replacement	37,694	37,694	37,694	-
Total Development Services	1,807,604	1,807,604	1,643,483	164,121
Streets:				
Streets:				
Salaries and Fringe Benefits	428,404	428,404	410,629	17,775
Supplies	45,090	45,090	50,439	(5,349)
Maintenance and Materials	819,300	819,300	596,741	222,559
Contractual Services	701,427	701,427	688,024	13,403
Capital Replacement	142,201	142,201	142,201	-
Capital Outlay	-	-	159,700	(159,700)
Total Streets	2,136,422	2,136,422	2,047,734	88,688
Parks and Recreation:				
Parks:				
Salaries and Fringe Benefits	1,928,745	1,953,745	1,924,101	29,644
Supplies	363,102	363,102	397,389	(34,287)
Maintenance and Materials	798,525	838,525	740,813	97,712
Contractual Services	1,186,750	1,311,750	1,323,534	(11,784)
Capital Replacement	120,734	120,734	121,760	(1,026)
Capital Outlay	107,363	107,363	99,490	7,873
Total Parks	4,505,219	4,695,219	4,607,087	88,132
Recreation:				
Salaries and Fringe Benefits	1,017,816	1,017,816	883,153	134,663
Supplies	176,872	176,872	129,296	47,576
Maintenance and Materials	201,980	201,980	163,902	38,078
Contractual Services	357,301	357,301	263,407	93,894
Capital Replacement	36,727	36,727	36,727	-
Total Recreation	1,790,696	1,790,696	1,476,485	314,211
Total Parks and Recreation	6,295,915	6,485,915	6,083,572	402,343
Debt Service:				
Principal Retirement	-	-	27,385	(27,385)
Interest and Fiscal Charges	-	-	5,498	(5,498)
Total Debt Service	-	-	32,883	(32,883)
Total Expenditures	40,731,996	41,700,996	40,580,658	1,120,338
Excess of revenues over expenditures	8,000	49,875	2,106,394	2,056,519

See accompanying notes to basic financial statements.

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2022

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES/(USES):				
Transfers Out	-	(41,875)	(1,841,875)	(1,800,000)
Proceeds on Asset Sales	20,000	20,000	7,187	(12,813)
Total Other Financing Sources/(Uses)	20,000	(21,875)	(1,834,688)	(1,812,813)
Net Change in Fund Balance	28,000	28,000	271,706	243,706
Fund Balances at Beginning of Year	20,243,675	20,243,675	20,243,675	-
Fund Balances at End of Year	$ 20,271,675	$ 20,271,675	$ 20,515,381	$ 243,706

See accompanying notes to basic financial statements.

Hotel Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2022

	2022			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Hotel/Motel Occupancy Taxes	$ 4,155,000	$ 4,155,000	$ 4,353,355	$ 198,355
Intergovernmental	2,014,736	2,014,736	2,018,853	4,117
Proceeds from Special Events and Service Fees	1,155,500	1,155,500	1,051,805	(103,695)
Net Investment Income/(Loss)	10,000	10,000	(113,980)	(123,980)
Rental Charges	85,000	85,000	115,545	30,545
Other	100	14,544	24,255	9,711
Total Revenues	7,420,336	7,434,780	7,449,833	15,053
EXPENDITURES:				
Conference Centre	212,138	268,457	229,056	39,401
Marketing	1,139,905	1,139,905	887,942	251,963
Special Events	3,419,364	3,419,364	3,257,624	161,740
Performing Arts	604,297	604,297	650,761	(46,464)
General Hotel Operations	198,129	198,129	151,625	46,504
Total Expenditures	5,573,833	5,630,152	5,177,008	453,144
Excess/(Deficiency) of Revenues over/(under) Expenditures	1,846,503	1,804,628	2,272,825	468,197
OTHER FINANCING SOURCES/(USES):				
Transfers In	-	41,875	41,875	-
Transfer to Economic Development Fund	(384,000)	(384,000)	(384,000)	-
Net Change in Fund Balance	1,462,503	1,462,503	1,930,700	468,197
Fund Balances at Beginning of Year	2,710,600	2,710,600	2,710,600	-
Fund Balances at End of Year	$ 4,173,103	$ 4,173,103	$ 4,641,300	$ 468,197

See accompanying notes to basic financial statements.

Proprietary Funds
Statement of Net Position
September 30, 2022

	Business Type Activities - Enterprise Funds				Governmental Activities
	Airport	Utility	Stormwater	Total	Internal Service
ASSETS:					
Current Assets:					
Pooled Cash and Investments	$ 8,799,835	$ 12,326,401	$ 9,788,807	$ 30,915,043	$ 10,095,192
Interest Receivable	33,096	48,042	44,629	125,767	44,242
Accounts Receivable, Net	188,948	2,400,370	350,172	2,939,490	-
Total Current Assets	9,021,879	14,774,813	10,183,608	33,980,300	10,139,434
Non-Current Assets:					
Capital Assets:					
Land	15,633,373	1,625,357	-	17,258,730	-
Construction in Progress	503,308	2,736,149	822,949	4,062,406	1,097,014
Buildings	9,886,531	8,346,263	-	18,232,794	6,597
Improvements other than Buildings	61,142,955	56,532,696	4,826,556	122,502,207	-
Machinery and Equipment	2,870,871	2,574,210	131,736	5,576,817	13,468,399
Accumulated Depreciation	(38,201,909)	(34,959,985)	(531,523)	(73,693,417)	(8,442,271)
Total Capital Assets, Net of Accumulated Depreciation	51,835,129	36,854,690	5,249,718	93,939,537	6,129,739
Investment in Joint Venture	-	6,226,451	-	6,226,451	-
Net Pension Asset	-	349,817	-	349,817	-
Total Assets	60,857,008	58,205,771	15,433,326	134,496,105	16,269,173
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Charges on Refundings	50,492	284,587	127,074	462,153	-
Deferred Outflows on Pensions	-	202,217	-	202,217	-
Deferred Outflows on OPEB	10,943	46,747	4,828	62,518	-
Total Deferred Outflows of Resources	61,435	533,551	131,902	726,888	-
LIABILITIES:					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	$ 424,354	$ 594,214	$ 186,842	$ 1,205,410	$ 410,142
Accrued Interest Payable	33,223	87,898	10,005	131,126	-
Current Compensated Absences Payable	6,396	23,958	-	30,354	-
Current Maturities of Long-Term Liabilities	440,000	1,050,000	420,000	1,910,000	-
Due to Other Funds	353,333	-	-	353,333	-
Customer Deposits	325,040	1,188,991	-	1,514,031	-
Total Current Liabilities	1,582,346	2,945,061	616,847	5,144,254	410,142
Non-Current Liabilities:					
Long-Term Liabilities, Net of Current Portion	8,204,417	18,284,758	4,607,744	31,096,919	-
Total Liabilities	9,786,763	21,229,819	5,224,591	36,241,173	410,142
DEFERRED INFLOWS OF RESOURCES:					
Deferred Inflows on Pensions	-	512,582	-	512,582	-
Deferred Inflows on OPEB	2,656	11,383	1,142	15,181	-
Total Deferred Inflows of Resources	2,656	523,965	1,142	527,763	-
NET POSITION:					
Net Investment in Capital Assets	43,424,565	23,800,195	917,392	68,142,152	6,129,739
Restricted for Pensions	-	349,817	-	349,817	-
Unrestricted	7,704,459	12,835,526	9,422,103	29,962,088	9,729,292
Total Net Position	$ 51,129,024	$ 36,985,538	$ 10,339,495	$ 98,454,057	$ 15,859,031

Reconciliation to business-type activities: Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service balances are included with business-type activities.	$ 1,672,714
Net Position of business type activities	$ 100,126,771

See accompanying notes to basic financial statements.

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
Year ended September 30, 2022

	Business Type Activities - Enterprise Funds				Governmental Activities
	Airport	Utility	Stormwater	Total	Internal Service
OPERATING REVENUES:					
Water	$ -	$ 9,115,862	$ -	$ 9,115,862	$ -
Sewer	-	6,330,960	-	6,330,960	-
Drainage	-	-	2,558,788	2,558,788	-
Penalties	-	125,985	-	125,985	-
Water and Sewer Taps and Other Fees	-	35,580	2,266	37,846	-
Fuel Flowage Fees	1,357,351	-	-	1,357,351	-
Customs Agent Fees	148,680	-	-	148,680	-
Rental Charges	5,584,357	-	-	5,584,357	-
Other Income	369,484	24,064	-	393,548	4,742
Department Contributions	-	-	-	-	2,438,963
Total Operating Revenues	7,459,872	15,632,451	2,561,054	25,653,377	2,443,705
OPERATING EXPENSES:					
Salaries and Fringe Benefits	2,190,456	2,265,329	375,987	4,831,772	-
Supplies	42,958	240,243	16,899	300,100	-
Maintenance and Materials	463,107	936,178	101,043	1,500,328	422,589
Contractual Services	1,313,753	1,104,928	297,931	2,716,612	-
Water Purchases	33,224	4,372,465	-	4,405,689	-
Wastewater Purchases	-	3,635,150	-	3,635,150	-
Total Operating Expenses (Excluding Depreciation)	4,043,498	12,554,293	791,860	17,389,651	422,589
Depreciation	2,634,445	1,644,364	181,600	4,460,409	1,081,296
Total Operating Expenses	6,677,943	14,198,657	973,460	21,850,060	1,503,885
OPERATING INCOME/(LOSS)	781,929	1,433,794	1,587,594	3,803,317	939,820
NON-OPERATING REVENUES/(EXPENSES):					
Net Investment Income/(Loss)	(276,696)	(423,894)	(393,784)	(1,094,374)	(372,474)
Gain/(Loss) on Disposal of Assets	23,460	18,584	-	42,044	47,601
Gain/(Loss) on Joint Venture	-	(84,236)	-	(84,236)	-
Interest Expense and Fiscal Charges	(305,442)	(722,469)	(96,980)	(1,124,891)	-
Total Non-Operating Revenues/(Expenses)	(558,678)	(1,212,015)	(490,764)	(2,261,457)	(324,873)
NET INCOME/(LOSS) BEFORE TRANSFERS AND CAPITAL GRANTS AND CONTRIBUTIONS	223,251	221,779	1,096,830	1,541,860	614,947
Capital Grants and Contributions	1,928,920	125,755	-	2,054,675	-
Transfers In	-	220,467	62,708	283,175	-
Transfers Out	(283,175)	-	-	(283,175)	-
CHANGE IN NET POSITION	1,868,996	568,001	1,159,538	3,596,535	614,947
Net Position at Beginning of Year	49,260,028	36,417,537	9,179,957	94,857,522	15,244,084
Net Position at End of Year	$ 51,129,024	$ 36,985,538	$ 10,339,495	$ 98,454,057	$ 15,859,031

Reconciliation to business-type activities:	
Change in net position of enterprise funds	$ 3,596,535
Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service balances are included with business-type activities.	401,945
Change in net position of business type activities	$ 3,998,480

See accompanying notes to basic financial statements.

Proprietary Funds
Statement of Cash Flows
Year Ended September 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Airport	Utility	Stormwater	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Customers	$ 7,494,898	$ 15,708,740	$ 2,554,244	$ 25,757,882	$ 2,438,963
Other Receipts	-	-	-	-	4,742
Payments to Suppliers	(1,801,998)	(10,242,671)	(374,681)	(12,419,350)	(408,556)
Payments to Employees for Services	(2,147,180)	(2,447,054)	(371,632)	(4,965,866)	-
Net Cash Provided by Operating Activities	3,545,720	3,019,015	1,807,931	8,372,666	2,035,149
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and Construction of Capital Assets	(1,320,208)	(2,294,457)	(579,771)	(4,194,436)	(579,279)
Proceeds from Issuance of Long-Term Debt	-	3,020,286	-	3,020,286	-
Principal Paid on Long-Term Debt	(425,000)	(910,000)	(410,000)	(1,745,000)	-
Interest and Fiscal Charges Paid on Long-Term Debt	(325,620)	(797,544)	(91,548)	(1,214,712)	-
Principal Paid on Interfund Loan for Capital Purchase	(176,667)	-	-	(176,667)	-
Proceeds from Sale of Capital Assets	23,460	18,584	-	42,044	45,774
Net Cash Used by Capital and Related Financing Activities	(2,224,035)	(963,131)	(1,081,319)	(4,268,485)	(533,505)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on Cash and Investments	(284,745)	(435,064)	(406,135)	(1,125,944)	(388,090)
Net Cash Provided/(Used) by Investing Activities	(284,745)	(435,064)	(406,135)	(1,125,944)	(388,090)
Net Increase/(Decrease) in Cash and Cash Equivalents	1,036,940	1,620,820	320,477	2,978,237	1,113,554
Cash and Cash Equivalents, October 1	7,762,895	10,705,581	9,468,330	27,936,806	8,981,638
Cash and Cash Equivalents, September 30	$ 8,799,835	$ 12,326,401	$ 9,788,807	$ 30,915,043	$ 10,095,192
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:					
Operating Income/(Loss)	$ 781,929	$ 1,433,794	$ 1,587,594	$ 3,803,317	$ 939,820
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:					
Depreciation	2,634,445	1,644,364	181,600	4,460,409	1,081,296
Change in Assets, Liabilities, and Deferred Items:					
(Increase)/Decrease in Accounts Receivables	17,797	38,384	(6,810)	49,371	-
(Increase)/Decrease in Prepaid Items	-	-	-	-	-
Increase/(Decrease) in Accounts Payable	90,734	50,909	44,010	185,653	14,033
Increase/(Decrease) in Customer Deposits	17,229	37,905	-	55,134	-
(Increase)/Decrease in Deferred Outflows on Pensions	-	(2,472)	-	(2,472)	-
(Increase)/Decrease in Deferred Outflows on OPEB	414	1,774	177	2,365	-
Increase/(Decrease) in Deferred Inflows on Pensions	-	306,490	-	306,490	-
Increase/(Decrease) in Deferred Inflows on OPEB	(614)	(2,632)	(263)	(3,509)	-
Increase/(Decrease) in Net Pension Liability	-	(155,911)	-	(155,911)	-
(Increase)/Decrease in Net Pension Asset	-	(349,817)	-	(349,817)	-
Increase/(Decrease) in Total OPEB Liability	3,786	16,227	1,623	21,636	-
Net Cash Provided by Operating Activities	$ 3,545,720	$ 3,019,015	$ 1,807,931	$ 8,372,666	$ 2,035,149
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital Grants and Contributions	$ 1,928,920	$ 125,755	$ -	$ 2,054,675	$ -
Capital Assets in Accounts Payable	169,365	201,153	118,185	488,703	396,109
Transfers of Capital Assets	(283,175)	220,467	62,708	-	-
Gain/(Loss) on Joint Venture	-	(84,236)	-	(84,236)	-
Net Noncash Items from Capital and Related Financing Activities	$ 1,815,110	$ 463,139	$ 180,893	$ 2,459,142	$ 396,109

See accompanying notes to the basic financial statements.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Town of Addison, Texas ("Town"), relating to the funds included in the accompanying financial statements, conform to the generally accepted accounting principles applicable to state and local governments. The following represent the more significant accounting and reporting policies and practices used by the Town.

A. Reporting Entity

The Town is a municipal corporation incorporated on June 15, 1953, under the Constitution of the State of Texas (Home Rule Amendment). The Town's charter was last amended in January 2021. The Town operates as a Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the Town and its inhabitants.

The Town is a financial reporting entity as defined by GASB Statement No. 14, "*The Financial Reporting Entity,*" as amended by GASB Statement No. 61 "The Financial Reporting Entity: Omnibus: an amendment of GASB Standards No. 14 and No. 34." As required by generally accepted accounting principles (GAAP), the Town's financial statements include all required activities relating to the Town and its operations. In accordance with the standards, the Town does not have component units requiring inclusion.

B. Basic Financial Statements

The basic financial statements include both government-wide financial statements (based on the Town as a whole) and fund financial statements. Both sets of financial statements classify activities as either governmental activities, which are supported by taxes and intergovernmental revenues, or business-type activities, which rely on fees and charges for support.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. "Measurement focus" refers to what is being measured, and "basis of accounting" refers to the timing of revenue and expenditure recognition in financial statements. The government-wide financial statements and the proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are reported when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year in which they are levied.

The governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town considers all revenues available if they are collected within thirty (30) days after year-end. Expenditures are recognized when the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt, including lease liabilities, which are recorded when due, and compensated absences, which are recorded when payable from currently available financial resources.

Ad Valorem (property), sales, and hotel taxes, as well as franchise fees, recorded in the General Fund and Ad Valorem tax revenues recorded in the Economic Development Fund, General Obligation Debt Service Fund and Capital Project Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services (except ambulance services), fines and forfeitures (except court warrants), and miscellaneous revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Ambulance services, court warrants and investment earnings are recorded as earned since they are measurable and available.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's airport and utility functions and various other functions of the Town, and charges of the internal service funds to the Airport and Utility funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating expenses of the Town's enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Town reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. Revenues which are not allocated by law or contractual agreement to other funds are accounted for in this fund.

Hotel Fund – The Hotel Fund is used to account for tax revenues received from local hotels. Expenditures must fall within the guidelines set forth in the Texas Hotel Occupancy Tax Act (Article 1269: Vernon's Texas Civil Statutes). This fund has been designated as a major fund by Town management.

General Obligation Debt Service Fund – The General Obligation Debt Service Fund accounts for the accumulation of resources to be used for the payment of principal and interest on the general obligation bonded debt of the Town.

Capital Project Fund – The Capital Project Fund is used to account for financial resources related to the acquisition, construction, or improvements of major capital assets.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, the Town reports the following non-major governmental funds:

Municipal Court Fund - The Municipal Court Fund accounts for the Town's court building security and technology fees that are generated from court citation fines. According to state law, the revenue generated from these fees may only be spent on the municipal court function.

Public Safety Fund - The Public Safety Fund accounts for awards of monies or property by the courts relating to cases that involve the Addison Police Department.

Grant Fund - The Grant Fund accounts for grant monies that are received prior to the related expenditure, and therefore the fund may carry a balance from year to year if the Town does not expend the monies within the fiscal year. The fund also accounts for expenditures for which the Town expects to be reimbursed. This fund was previously reported as two separate funds - the Advanced Funding Grant Fund and the Reimbursement Grant Fund, but they were combined into one reporting fund in fiscal year 2022.

Economic Development Fund - The Economic Development Fund accumulates resources to support efforts that attract commercial enterprises to Addison and encourage existing businesses to remain in Addison.

PEG Fees Fund - The PEG Fees Fund was created to collect state restricted public, educational, and government access channels, or PEG, fees and account for their use.

The Town reports the following major proprietary funds:

Airport Fund - The Airport Fund accounts for all revenue generated by the Town's general aviation airport. The Town is required to spend this revenue on airport functions. The airport's operating, maintenance, and capital expenses are supported solely by airport income.

Utility Fund - The Utility Fund provides water and sewer services to the residents and businesses of the Town. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing.

Stormwater Fund - The Town's Stormwater Fund accounts for maintenance and improvements to Town stormwater infrastructure. It is financed and operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges. All operating, maintenance, and capital expenses are supported solely by the approved user fees.

Additionally, the Town reports the following internal service funds:

Capital Replacement Fund - The Capital Replacement Fund is used to accumulate sufficient resources to replace existing capital equipment that have reached or exceeded their useful lives. Resources are acquired through charges to operating departments in the funds. The charges are calculated using a straight-line amortization of each piece of equipment based upon the item's expected life. The funds are used to finance replacement equipment when needed.

Information Technology Replacement Fund - The Information Technology Replacement Fund is used to accumulate sufficient resources to replace existing information technology systems. Resources are acquired through charges to operating departments in the funds. The charges are calculated using a straight-line amortization of each component of a system based upon the component's expected life. The funds are used to finance replacement equipment when needed.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Facility Maintenance Fund - The Facility Maintenance Fund is used to accumulate sufficient resources to repair and improve Town facilities. Resources are acquired through charges to operating departments in the funds. The charges are calculated using a straight-line amortization of each component of the facilities based on its expected life. The funds are used to finance repairs and improvements of facilities when needed.

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Equity

1) Cash and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. To maximize investment opportunities, all funds participate in a pooling of cash and investments.

Statutes authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities; obligations of the State of Texas and related agencies; obligations of state, agencies, counties, cities and other political subdivisions of any state rated A or above by Standard & Poor's Corporation or Moody's Investors Service; certificates of deposit issued by state or national banks and savings banks domiciled in Texas; fully collateralized direct repurchase agreements; prime domestic banker's acceptances (BA's); commercial paper with a stated maturity of 180 days or less and a rating of not less than A-1+ or its equivalent; and state or local government investment pools.

Investments in debt securities for the Town are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town considers quoted market price at September 30, 2022 to be the fair value of investments. Investments in negotiable certificates of deposit are carried at fair value. The government investment pools, TexPool, TexSTAR, Texas CLASS, and LOGIC operate in accordance with state laws and regulations. Investments in external pools are carried at either net asset value or amortized cost, as determined by each pool's individual investment valuation method and whether there is a readily determinable fair value of the pool as of the Town's fiscal year end. In instances where pools transact at amortized cost, such as TexPool, no readily determinable fair value is deemed available.

2) Receivables and Payables

All receivables for the Town are reported net of an allowance for uncollectibles. The allowances are based on historical collections data and evaluated periodically.

The Town's property tax lien is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the Town. Values are assessed at 100% of the estimated market value. Taxes are due by January 31 following the levy date and are considered delinquent after January 31. Taxes unpaid as of February 1 are subject to penalty and interest as the City Council provides by ordinance.

3) Inventories and Prepaid Items

In accordance with the consumption method of accounting, both inventories and prepaid items are recorded as expenditures when consumed rather than when purchased.

Inventories are stated at cost. Cost is determined for inventories of fuel using the moving-average method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid in the government-wide and fund financial statements. The prepaid items of the Town consist primarily of prepaid software maintenance agreements, the quarterly payment to Dallas Central Appraisal District for appraisal fees, the quarterly payment to North Texas Emergency Communication Center for dispatch services, and postage.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4) Capital Assets

Capital assets include land, buildings, leased buildings, equipment, leased equipment, and improvements. Improvements include upgrading facilities other than buildings such as streets or sewers and infrastructure, including pavement, storm sewers, and right-of-way contributed by developers. Capital expenditures are defined as purchases that meet specific guidelines as listed below:

- Expected useful life must be three years or more for equipment and ten years or more for improvements.
- Original unit cost of the equipment should be $5,000 or greater and includes all costs enabling the item into operation, such as freight, installation, and accessories; capital improvements should be $25,000 or greater.
- The item should not be consumed, unduly altered, or materially reduced in value immediately by use.

The Land and Improvements other than Buildings categories associated with governmental activities include amounts for infrastructure. Related accumulated depreciation of Improvements other than Buildings includes amounts associated with infrastructure. Subsequently, infrastructure is tracked and reported as a separate component of general capital assets associated with governmental activities.

The internal service funds may record assets that have an original cost of $5,000 or less if assets are considered part of an overall system. Individual items may be retired and replaced as parts of the larger system.

Contributed assets are recorded at acquisition value as of the date donated. Depreciation and amortization of property, plant, and equipment by major classes is provided by the straight-line method based on the following estimated useful lives by major class of depreciable capital assets:

Buildings	50 years
Leased buildings	10 years
Improvements other than buildings	20-50 years
Equipment	3-50 years
Leased equipment	3-10 years

Depreciation and amortization of current year additions/ retirements is computed at one-half the straight-line rate.

5) Compensated Absences

Vacation, holiday, and sick pay costs are charged to operations when taken by the employees of the Town. In the event of termination, an employee is reimbursed for all accumulated vacation and holiday days not exceeding two years' accumulation. The amounts of such liabilities have been provided for in the government-wide financial statements. No reimbursements upon termination are made for accumulated sick leave; accordingly, no liability for unused sick leave has been provided. The liability is computed based on the reimbursable hours at the employees' rate of pay as of September 30, 2022. The Town's liability for compensated absences decreased $98,817 for a total liability of $1,341,254.

6) Leases

The Town of Addison is a lessee for noncancellable leases of equipment and a building office space. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The town recognizes lease assets with an initial, individual value of $20,000 or more.

At the commencement of a lease, the Town of Addison initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The lease asset is amortized on a straight-line basis over the shorter of its useful life or the lease term.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Key estimates and judgements related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The interest rate charged by the lessor will be used as the discount rate. When the interest rate charged by the lessor is not provided, the Town will generally use its estimated incremental borrowing rate as the discount rate for the leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

The Town of Addison monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

7) Grants and Contributions

Included in capital grants and contributions in the government-wide financial statements is capital grant of $600,000 and $1,328,920 in leasehold improvements for the Airport, and $125,755 contribution of assets from governmental funds to the Utility Fund. Capital grants also includes a $25,000 grant for Recreation to purchase equipment. Operating grants and contributions includes $2,022,835 for primary government Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) grant funding, $217,862 of grant funding for public safety, a $3,060 retail food regulatory grant, a $50,000 grant for Airport operations, and a $148,000 CSLFRF grant to the airport.

8) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, represents a consumption of net assets that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has the following items that qualify for reporting in this category.

- Deferred charges on refundings – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension and other postemployment benefit (OPEB) contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes in pension and OPEB assumptions - These changes are deferred and recognized over the estimated average remaining service lives of all employees that are provided with pensions and OPEB through the pension and OPEB plans (active and inactive employees) determined as of the beginning of the measurement period.
- Difference in expected versus actual experience - This difference is deferred and amortized over the estimated average remaining service lives of all employees that are provided with pensions though the pension plan (active and inactive employees) determined as of the beginning of the measurement period.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has three types of items that qualify for reporting in this category. The difference due to changes in OPEB assumptions is deferred and recognized over the estimated average remaining service lives of all employees that are provided with OPEB through the OPEB plans (active and inactive employees) determined as of the beginning of the measurement period. The difference in expected and actual OPEB experience is deferred and recognized over the estimated average remaining service lives of all employees that are provided with OPEB though the OPEB plans (active and inactive employees) determined as of the beginning of the measurement period.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The difference between projected and actual investment earnings on pension plan is deferred and amortized over the estimated average remaining service lives of all employees that are provided with pensions the pension plan (active and inactive employees) determined as of the beginning of the measurement period. In the full accrual government-wide statements, the unavailable resources are recognized as revenue and not deferred.

9) Fund Equity

The Town reports governmental fund balances per GASB 54 definitions as follows:

Nonspendable – Amounts that are not in spendable form or are required to be maintained intact, such as inventory or prepaid amounts or that are legally or contractually required to remain intact.

Restricted – Amounts that can be spent only for specific purposes stipulated by external parties, such as grants, court technology fees, and court building security fees or that are imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts whose use is constrained by specific limitations that the Town imposes itself, as determined through an ordinance passed by the Town Council. Once adopted, the limitation imposed by the ordinance remains in place until another ordinance removes or revises the limitation.

Assigned – Amounts intended to be used for specific purposes. Intent may be expressed by the governing body or by an official or body to which the governing body delegates the authority. The City Council has delegated the CFO or his designee as the official authorized to assign fund balance for a specific purpose as approved by the fund balance policy.

Unassigned – Amounts not contained in other classifications that can be used for any purpose. Only the General Fund reports a positive unassigned fund balance. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Governmental fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution. Assigned fund balances are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by Town management based on Council direction.

The Town will utilize funds for expenditures from the most restrictive fund balance first when more than one fund balance classification is available, with most restrictive being restricted, then committed, then assigned, and lastly unassigned.

10) Minimum Fund Balance Policy

It is the desire of the Town to maintain adequate fund balances to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a General Fund minimum fund balance of 30 percent of budgeted expenditures, and a minimum fund balance of 25 percent of budgeted expenditures for all other operating funds.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11) Net Position

Net Position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either though the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budget Policy – The City Council follows these procedures in establishing the budget reflected in the financial statements:

1) Prior to August 1 each year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means to finance them.

2) Public hearings are conducted where all interested persons' comments concerning the budget are heard.

3) The budget is legally enacted by the City Council through passage of an ordinance prior to the beginning of the fiscal year.

4) The department level is the legal level of control enacted by the Town Charter. The Town has also adopted a budget amendment policy delineating responsibility and authority for the amendment process. Transfers between expenditure accounts in one department may occur with the approval of the Chief Financial Officer. Transfers between operating departments may occur with the approval of the City Manager and Chief Financial Officer provided a department's total budget is not changed by more than five percent. Transfers between funds or transfers between departments that change a department's total budget by more than five percent must be accomplished by budget amendment approved by the City Council. Budget amendments calling for new fund appropriations must also be approved by the City Council.

   Budgetary control is maintained at the department level, which is a subset of the functional level, by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors.

5) Budgets for the General, Special Revenue, and Debt Service funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for the Capital Project funds are normally established pursuant to the terms of the related bond indentures, that is, project basis. Accordingly, no comparison of budget to actual is presented in the financial statements for the Capital Project fund.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Budget Data – The budget amounts presented in the statements reflect original and amended budget amounts. The FY2022 budget was amended two times, and the amendments were approved by City Council on April 26, 2022, and September 27, 2022. The April 26th amendment was to allocate funds to the General Fund for transfers to the Hotel Fund. Additionally, this amendment was to allocate funds from the Hotel Fund for repairs to the Stone Cottage due to winter storm damage. The amendment also added funding for various projects in the Self-Funded Special Projects Fund as well as allocated funds from the Debt Service Fund for the 2022 General Obligation Refunding Bonds offset by bond proceeds of an equal amount. The September 27th budget amendment appropriated funds from the General Fund for contributions to the Facility Maintenance Fund and temporary employment services in the General Services Department, funds for Metrocrest Services, Holiday in the Park, Advertising and Miscellaneous Expenditures in the Council Special Projects Department, funds for personnel costs in the City Manager's Office and Fire Department, funds for water purchases and capital outlay in the Parks Department, and funding an increase for contractual services in Emergency Communications. The amendment also reflects an allocation for expenditures and offsetting revenues for street repairs from the Streets Self-Funded Projects Fund, funds for transformer relocations and unanticipated facility repairs in the Self-Funded Projects Fund, and an allocation in the Utility Fund for increased wholesale water purchases and water main repairs offset by water sales revenue of an equal amount.

Excess of Expenditures over Appropriations – For the year ended September 30, 2022, City Manager's department expenditures in the General Fund exceeded appropriations by $11,940, mainly due to the purchase of computer equipment for Town Hall and cable, internet, and telephone expenditures. Also in the General Fund, the Police department expenditures exceeded appropriations by $51,331, mainly due to overtime costs exceeding the budget as well as capital outlay expenditures, and Fire department expenditures exceeded appropriations by $80,204 due to slight negative budget variances in salaries and fringe benefits, wearing apparel and uniforms, and motor vehicle maintenance. The excess of appropriations for expenditures in other departments in the General Fund were more than enough to cover these overages, so fund balance was not impacted. In the Hotel Fund, the Performing Arts department expenditures exceeded appropriations by $46,464. This is due to an in-kind donation to a non-profit that offsets rent income from their short-term lease with the Town. The in-kind donation is not budgeted, but it is recorded and reported in the financial statments as rental income and a contractual service expenditure. Because the income offsets the expenditure, fund balance was not impacted.

Encumbrance accounting is employed in governmental funds, but all operating encumbrances are liquidated at year-end. Only encumbrances for capital project contracts roll forward to the next fiscal year to increase following year capital budgets.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town has six bank accounts: the Operating Account, Controlled Disbursement Account, Payroll Account, ACH/Wire Account, Benefits Account, and the Addison Airport Account. The Controlled Disbursements and Payroll accounts are zero-balance accounts. The ACH/Wire Account is used for all receipts and expenditures made by ACH or wire transfer. The Town uses the Operating Account as an operating pool available for all funds. Each fund type's portion of this pool is reported as "Pooled Cash and Investments." The other demand accounts are reported in the same manner. The Addison Airport account is a checking account used by the management companies at the Airport to cover operational expenses.

The investment policies of the Town are governed by state statutes and an Investment Policy Ordinance adopted by the City Council. Major provisions of the Town's investment policy include: responsibility for investments, authorized investments, bank and security dealer selection and qualifying procedures, safekeeping and custodial procedures, statement of investment objectives, and investment reporting procedures.

Cash

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies or instrumentalities that have a market value of not less than the principal amount of the deposits. The Town's deposits were fully insured or collateralized as required by the state statutes at September 30, 2022. Included in Pooled Cash and Investments is $4,450 of petty cash and $14,971 seized funds. At year-end, the carrying amount of the Town's deposits was a debit balance of $5,535,870. The respective bank balance totaled $6,702,104. In addition, collateral with a market value of $8,017,023 were held by the pledging financial institution's account at the Bank of New York Mellon in the Town's name.

In order to maximize interest earnings, the Town utilizes a controlled disbursement account that allows the Town to deposit only as much money needed to fund checks presented for payment each day. The amount required is withdrawn from the operating pool.

External Investment Pools

The Town's pool investments as of September 30, 2022 were invested in LOGIC, TexPool, TexSTAR (Texas Short Term Asset Reserve program) and Texas CLASS (Texas Cooperative Liquid Assets Securities System).

Federated Investors is the full service provider for the TexPool program. As the provider, the responsibilities include managing the assets, providing participant services, and arranging for all custody and other functions in support of the operations under a contract with the State Comptroller of Public Accounts. State Street Bank serves as custodian to TexPool Hilltop Securities, Inc. (HTS) and JPMorgan Investment Management, Inc. (JPMIM) serve as co-administrators for LOGIC and TexSTAR under an agreement with its Board of Trustees and Board of Directors, respectively. HTS provides distribution, administrative, participant support and marketing services. JPMIM provides investment management, custody and fund accounting services. JPMorgan Chase Bank, N.A. serves as custodian for LOGIC and TexSTAR. Texas CLASS is admisistered by Public Trust Advisors, LLC and UMB Bank serves as custodian which provide investment, financial or other cash management services.

LOGIC, TexPool, TexSTAR and Texas CLASS are not registered with the Securities and Exchange Commission (SEC) as investment companies. LOGIC, TexPool, TexSTAR and Texas CLASS are investment pools that have been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code.

The government investment pool TexPool is carried at amortized cost. Logic, TexSTAR, and Texas CLASS are carried at net asset value.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

Investments

As of September 30, 2022, the Town held the following investments:

	Carrying Value	Weighted Average Maturity (Days)
Agency Securities	$ 46,875,833	278
Municipal Bonds	48,625,585	256
Commerical Paper	3,516,658	17
Negotiable Certificates of Deposit	1,941,091	4
Total Investment in Securities	100,959,167	
LOGIC	20,244,058	14
TexPool	1,007,118	25
TexSTAR	1,006,548	12
Texas CLASS	3,457,824	31
Total Investment in Pools	25,715,548	
Total Investments	$ 126,674,715	554

In accordance with GASB Statement No. 72, "*Fair Value Measurement and Application,"* the Town records investments at fair value. However, for participating interest-earning investment contracts with maturities of one year or less at time of purchase, the Town reports these investments at amortized cost. Investments in debt securities are carried at fair value. Fair value for debt securities is determined using a multi-dimensional relational model using standard inputs including TRACE reported trades. Investments in negotiable certificates of deposits are carried at fair value.

Interest Rate Risk – In accordance with its investment policy, the Town manages its exposure to declines in fair market values by limiting the weighted average days to maturity of its investment portfolio to 24 months (730 days). This means investing operating funds primarily in short-term securities, money market mutual funds or similar investment pools.

Credit Risk – The reported investments meet the criteria specified in the Town's investment policy related to the specific types of instruments presented.

1. Debt obligations with a maturity not to exceed five years from the date of purchase issued by, guaranteed by, or for which the credit of any of the following Federal Agencies and Instrumentalities is pledged for payment: Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), and Federal Home Loan Mortgage Corporation (FHLMC). The Town's investments in bonds of U.S. Agencies were rated Aaa by Moody's Investors Service and AAA by Standard and Poor's. Mortgage-backed securities may be held as collateral although principal-only and interest-only mortgage-backed securities as well as all types of collateralized mortgage obligations (CMO) and real estate mortgage investment conduits (REMICs) are expressly prohibited.

2. Time Certificates of Deposit with a maturity not to exceed five years from the date of purchase, insured by the Federal Deposit Insurance Corporation (FDIC) or its successor, in depository institutions that have a main office or a branch in the state of Texas which have been approved by the Town in accordance with its Investment Policy. In addition, separate CDs issued by depositories wherever located, bundled together into a single investment with the full amount of principal and interest of each CD federally insured may be purchased through a selected depository institution with its main office or branch office in Texas. This depository shall act as the custodian for the various certificates on behalf of the Town.

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

3. Obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent with a maturity not to exceed five (5) years from the date of purchase.

4. Prime commercial paper with an original maturity of two hundred seventy (270) days or less which, at the time of purchase, is rated at least A-1 by Standard and Poor's, P-1 by Moody's, or F1 by Fitch.
   - At the time of the purchase, the commercial paper must be rated by at least two of the above stated ratings agencies at the above stated minimum credit criteria.
   - If more than two of the above rated agencies rates an issuer, all the rating agencies must rate the issuer in accordance with the above stated minimum credit criteria.
   - If the commercial paper issuer has senior debt* outstanding, the senior debt must be rated by each service that publishes a rating of the issue at least: A-1 by Moodys, A+ by Standard and Poor's, and A+ by Fitch. (*Senior Debt is defined as the most senior secured or unsecured debt of an issuer with an original maturity exceeding one year.)

5. State and Local Investment Pools organized under the Interlocal Cooperation Act that meet the requirements of Chapter 2256 Texas Government Code and have been specifically approved by the CFO and authorized by the City Council. LOGIC, TexPool, TexSTAR and Texas CLASS are all currently rated AAA by Standard and Poor's.

Concentration of Credit Risk – It is the Town's policy to avoid a concentration of assets in a specific maturity, a specific issue, or a specific class of securities. The applicable limits on the Town's investments as of September 30, 2022 based on par value, are Agency Securities (70%) of which the Town's portfolio is currently at 37.9%, Municipal Bonds (50%) of which the Town's portfolio is currently at 38.2%, Commercial Paper (30%) of which the Town's portfolio is currently at 1.5%, Certificates of Deposit (50%) of which the Town's portfolio is currently at 2.8%, and Local Government Investment Pools (70%) of which the Town's portfolio is currently at 19.6%.

Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair hierarchy in which the fair value measurements fall at September 30, 2022:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)
Investments by fair value level				
U.S. Agency Securities	$ 46,875,833	$ -	$ 46,875,833	$ -
Municipal Bonds	48,625,585		48,625,585	
Commerical Paper	1,941,091	-	1,941,091	-
Negotiable Certificates of Deposit	3,516,658	-	3,516,658	-
Total Investment by fair value level	100,959,167	$ -	$ 100,959,167	$ -
Investments measured at net asset value - LOGIC	20,244,058			
Investments measured at amortized cost - TexPool	1,007,118			
Investments measured at net asset value - TexSTAR	1,006,548			
Investments measured at net asset value - Texas CLASS	3,457,824			
Total Investments	$ 126,674,715			

Certain investments that are measured at amortized cost or using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above approximate amortized cost or net asset value for all related external investment pool balances.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, and the assets are classified in Level 2, their fair values are estimated by using the matrix pricing technique. This technique includes quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. At September 30, 2022, no investments are held by the Town meeting the Level 3 hierarchy classification.

Investment in State Investment Pools

During the year, the Town invested in multiple public fund investment pools, including LOGIC, TexPool, TexSTAR and Texas CLASS. TexPool is measured at amortized cost, and LOGIC, TexSTAR, and Texas CLASS are measured at net asset value. Each pool's governing body is comprised of individuals who are employees, officers, or elected officials of participants in the funds or who do not have a business relationship with the fund and are qualified to advise. Investment objective and strategies of the pools are to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. Pools offer same day access to investment funds. The Town can liquidate funds daily without penalty, and there is no unfunded commitment.

B. Ad Valorem (Property) Taxes

Property taxes attach as an enforceable lien on property as of January 1. The Town's property tax is levied on the assessed value listed as of the prior January 1 for all real and business personal property located in the Town. Assessed values are established by Dallas Central Appraisal District at 100% of the estimated market value and certified by the Appraisal Review Board. The assessed taxable value for the roll of January 1, 2021, upon which the fiscal year 2022 levy is based, was $4,970,875,427.

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

The Town is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate for the year ended September 30, 2022 was $.614660 per $100, of which $.441109 was allocated for general government and $.173551 was allocated for the payment of principal and interest on general obligation and certificates of obligation long-term debt.

Taxes are due by January 31 following the October 1 levy date and are considered delinquent after January 31 of each year. Taxes unpaid as of February 1 are subject to penalty and interest as the City Council provides by ordinance. Current tax collections for the year ended September 30, 2022, were 100.56% of the original tax levy due to increases in assessments and corresponding payments. In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the Town may, at its own expense, require annual reviews of appraised values. The Town may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this arrangement, the Town continues to set tax rates on Town property.

If the effective tax rate, excluding tax rates for retirement of bonds and other debt, adjusted for new improvements, exceeds the rate for the previous year by more than 3.5%, the Town is required to hold an election to determine whether to limit the tax rate to no more than 3.5%. This legislation also provides that, if approved by the qualified voters in the Town, both the appraisal and collection functions may be placed with the appraisal district.

In the governmental funds financial statements, taxes are recognized as revenue beginning on the date of levy when they become available. “Available” means collected within the current period or expected to be collected soon enough thereafter to be used to pay current liabilities. Taxes not expected to be collected within thirty (30) days of the fiscal year ending are recorded as deferred inflows of resources and recognized as they become available. Taxes collected prior to the levy date to which they apply are recorded as unearned revenues and recognized as revenue of the period to which they apply.

An allowance for uncollectible taxes is provided based on an analysis of historical trends.

C. Receivables

As of September 30, 2022, receivables for the Town’s individual major governmental funds, non-major governmental funds, and internal service funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	General	Hotel	Debt Service	Capital Projects	Non-Major Funds	Internal Service Funds	Total
Taxes:							
Ad Valorem	$ 633,573	$ -	$ 282,200	$ 9,117	$ 38,844	$ -	$ 963,734
Non-Property	2,854,884	778,410	-	-	-	-	3,633,294
Franchise Fees	309,305	-	-	-	-	-	309,305
Service Fees	748,209	-	-	-	-	-	748,209
Ambulance	950,425	-	-	-	-	-	950,425
Interest	109,649	16,845	2,920	234,494	12,945	44,242	421,095
Intergovernmental	-	-	-	204,990	-	-	204,990
Other	14,064	409,213	-	496,500	-	-	919,777
Due from Other Funds	-	-	-	353,333	-	-	353,333
Gross Receivables	$ 5,620,109	$ 1,204,468	$ 285,120	$ 1,298,434	$ 51,789	$ 44,242	$ 8,504,162
Less: Allowance for Uncollectibles	1,684,551	-	199,070	6,173	27,387	-	1,917,181
Net Receivables	$ 3,935,558	$ 1,204,468	$ 86,050	$ 1,292,261	$ 24,402	$ 44,242	$ 6,586,981

The above allowance for uncollectible accounts represents reserves for ambulance ($636,784), court warrants ($521,843), alarm ($88,925), and property taxes ($669,629).

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

In the proprietary funds at September 30, 2022 the Airport fund has $211,537 regulated and short-term leases receivable, net of an allowance of $22,589. The Utility fund has $2,452,510 in water and sewer sales receivable, net of an allowance of $52,140. The Stormwater fund has stormwater fees receivable of $368,723, net of an allowance of $18,551.

D. Capital and Lease Assets

Capital and Lease Asset activity for the year ended September 30, 2022 was as follows:

	Beginning Balance (Restated)	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, not Depreciable:					
Land	$ 69,682,567	$ 1,675,389	$ -	$ -	$ 71,357,956
Intangible Assets	862,221	-	-	-	862,221
Construction in Progress	12,037,848	18,700,979	-	(102,452)	30,636,375
Total Capital Assets, not Depreciable	82,582,636	20,376,368	-	(102,452)	102,856,552
Capital and Lease Assets, Depreciable:					
Buildings	23,651,139	49,165	-	-	23,700,304
Leased Buildings	526,903	-	-	-	526,903
Improvements other than Buildings	200,543,680	376,044	-	(23,303)	200,896,421
Machinery and Equipment	23,884,641	801,648	(520,051)	-	24,166,238
Leased Equipment	194,084	-	-	-	194,084
Total Capital and Lease Assets, Depreciable	248,800,447	1,226,857	(520,051)	(23,303)	249,483,950
Less Accumulated Depreciation/Amortization for:					
Buildings	(15,558,593)	(623,337)	-	-	(16,181,930)
Leased Buildings	-	(175,634)	-	-	(175,634)
Improvements other than Buildings	(129,733,420)	(6,818,095)	-	-	(136,551,515)
Machinery and Equipment	(11,230,057)	(2,130,426)	517,675	-	(12,842,808)
Leased Equipment	-	(29,108)	-	-	(29,108)
Total Accumulated Depreciation/Amortization	(156,522,070)	(9,776,600)	517,675	-	(165,780,995)
Total Capital and Lease Assets, Depreciable, net	92,278,377	(8,549,743)	(2,376)	(23,303)	83,702,955
Governmental Activities Capital and Lease Assets, net	$ 174,861,013	$ 11,826,625	$ (2,376)	$ (125,755)	$ 186,559,507
Business-type Activities:					
Capital Assets, not Depreciable:					
Land	$ 17,258,730	$ -	$ -	$ -	$ 17,258,730
Construction in Progress	11,355,951	3,297,166	-	(10,590,711)	4,062,406
Total Capital Assets, not Depreciable	28,614,681	3,297,166	-	(10,590,711)	21,321,136
Capital Assets, Depreciable:					
Buildings	$ 9,566,657	$ 1,177,623	$ -	$ 7,488,514	18,232,794
Improvements other than Buildings	119,471,700	793,453	-	2,237,054	122,502,207
Machinery and Equipment	4,641,943	37,646	(93,670)	990,898	5,576,817
Total Capital Assets, Depreciable	133,680,300	2,008,722	(93,670)	10,716,466	146,311,818
Less Accumulated Depreciation for:					
Buildings	(3,320,777)	(289,776)	-	-	(3,610,553)
Improvements other than Buildings	(63,919,498)	(3,746,860)	-	-	(67,666,358)
Machinery and Equipment	(2,086,403)	(423,773)	93,670	-	(2,416,506)
Total Accumulated Depreciation	(69,326,678)	(4,460,409)	93,670	-	(73,693,417)
Total Capital Assets, Depreciable, net	64,353,622	(2,451,687)	-	10,716,466	72,618,401
Business-type Activities Capital Assets, net	$ 92,968,303	$ 845,479	$ -	$ 125,755	$ 93,939,537

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

Depreciation and amortization expense was charged to departments of the Town as follows:

	Governmental Activities	Business-type Activities
General Government	$ 296,542	$ -
Public Safety	593,467	-
Development Services	178,344	-
Streets	5,880,207	-
Parks and Recreation	1,213,336	-
Visitor Services	533,408	-
IT Replacement	194,912	-
Faciltiy Maintenance Fund	886,252	-
Capital Replacement	132	-
Airport Fund	-	2,634,445
Utility Fund	-	1,644,364
Stormwater Fund	-	181,600
	$ 9,776,600	$ 4,460,409

The following tabulation presents the estimated significant commitments under unfinished capital construction and equipment contracts that are fully funded as of September 30, 2022:

Project	Estimated Commitments	Less Expenditures to Date	Total Commitment Remaining
Governmental Activities			
Vitruvian Public Infrastructure (various)	24,000,201	13,669,365	$ 10,330,836
2019 Bond Proposition D Phases 1 & 2	5,407,788	1,714,351	$ 3,693,437
License Plate Recognition System	2,000,000	1,473,581	526,419
Midway Road Reconstruction	40,856,038	19,768,272	21,087,766
Keller Springs Road Reconstruction	12,900,000	1,052,064	11,847,936
Airport Parkway Reconstruction	9,400,000	658,334	8,741,666
Traffic Signals & ADA Improvements	1,500,000	46,635	1,453,365
2019 Proposition C & D - AAC Improvements	5,077,631	5,028,365	49,266
Les Lacs Pond Improvements Project	3,282,108	80,700	3,201,408
	$ 104,423,766	$ 43,491,667	$ 60,932,099
Business Type Activities			
Bravo/Golf Taxiway Improvements	1,495,270	70,276	1,424,994
Kellway Lift Station Rehab & Repair	1,510,000	1,267,471	242,529
Chlorine Booster Station	1,333,569	1,217,761	115,808
Rawhide Creek Basin Drainage Improvement	3,350,000	325,707	3,024,293
Lake Forest Drive Water & Sewer Improvements	1,199,000	117,736	1,081,264
	$ 8,887,839	$ 2,998,951	$ 5,888,888

As mentioned in Note IIA, the Town employs encumbrance accounting. The Town had the following outstanding encumbrances related to capital projects at September 30, 2022. The Airport fund had $25,410 for the license plate recognition project, the Stormwater fund had $347,994 for drainage improvements, the Utility fund had $254,702 for pump station and sewer line improvements, the Internal Service funds had $104,615 for the license plate recognition project, and the Capital Project fund had $24,148,999 for various streets, facilities, and parks projects.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interlocal Sanitary Sewer Interceptor Agreement

The Town is party to an interlocal agreement, which established a non-profit water supply corporation (North Dallas County Water Supply Corporation) for the purpose of constructing, maintaining, and operating a joint sanitary sewer interceptor with the City of Farmers Branch. The non-profit water supply corporation is governed by a six-member board composed of three appointees from each entity. The Town was obligated for construction costs of the project in proportion to its percentage of allocated flows for each specific portion of the project as set forth in the agreement. The Town is also obligated to pay 55% of all general overhead costs. Operating and maintenance costs since the project became operational shall be paid in accordance with respective percentages of allocated flows as set forth in the agreement.

The Town's net investment and its share of general overhead expenses are reported in the Town's Utility Fund (an enterprise fund). The Town's equity interest in the North Dallas County Water Supply Corporation of $6,226,451 is included in Unrestricted Net Position. This joint venture provides audited financial statements bi-annually. The most recent audit report available is for the year ended September 30, 2021. Complete financial statements for the North Dallas County Water Supply Corporation can be obtained from Charles Cox, Secretary/Treasurer, North Dallas County Water Supply Corporation, 13000 William Dodson Parkway, Farmers Branch, Texas.

F. Long-Term Debt

The long-term debt of the Town consisted of the following as of September 30, 2022:

	Governmental Actvities	Business-type Activities
General Obligation Bonds, Tax-Exempt Series 2013		
A series of 933 bonds at $5,000 each dated July 15, 2013. The bonds were issued to provide funds to (i) engineer, construct, improve, repair, develop, extend and expand streets, thoroughfares, bridges, interchanges, intersections, grade separations, sidewalks and other public ways of the Town, including related streetscape improvements, public utility improvements, storm drainage facilities and improvements, signalization and other traffic controls, street lighting and the acquisition of land therefore; (ii) acquire and improve land and interest in land to provide improvements, additions and access to the Addison Municipal Airport, and (iii) pay the costs of issuing the Tax-Exempt Bonds. The bonds mature serially through 2023 with interest rates ranging from 2% to 5%. The bonds are callable at par plus accrued interest on or after February 15, 2023 in whole or in part in principal amounts of $5,000. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	$ 220,000	$ -

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
General Obligation Bonds Series 2013A (AMT)		
A series of 375 bonds at $5,000 each dated July 15, 2013. The bonds were issued to provide funds to: (i) acquire and improve of land and interests in land to provide improvements, additions and access to the Addison Municipal Airport, and (ii) pay the costs of issuing the AMT bonds. The bonds mature serially through 2023 with interest rates ranging from 2% to 2.25%. The bonds are not callable. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	$ 90,000	$ -
General Obligation Bonds Taxable Series 2013B		
A series of 250 bonds at $5,000 each dated July 15, 2013. The bonds, used together with other available Town funds, were issued to provide funds to: (i) acquire and improve land and interests in land to provide improvements, additions and access to the Addison Municipal Airport, and (ii) pay the costs of issuing the Taxable Bonds. The bonds mature serially through 2023 with interest rates ranging from 3.75% to 5%. The bonds are callable at par plus accrued interest on or after February 15, 2023 in whole or in part in principal amounts of $5,000. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	$ 60,000	$ -
Combination Tax and Revenue Certificates of Obligation Series 2013		
A series of 2,037 bonds at $5,000 each dated July 15, 2013. The Certificates were issued for (i) (a) designing, acquiring, improving, constructing and renovating facilities and infrastructure at the Addison Municipal Airport and the acquisition and improvement of land and interests in land to provide improvements, additions and access to the airport, (b) designing, acquiring, improving, constructing, and renovating City drainage and stormwater infrastructure and facilities ((a) and (b) together, the "Project") and (ii) paying professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the Certificates. The bonds mature serially through 2023 with interest rates ranging from 2% to 5%. The bonds are callable at par plus accrued interest on or after February 15, 2023 in whole or in part in principal amounts of $5,000. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	$ -	$ 470,000

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
General Obligation Bonds, Tax-Exempt Series 2014		
A series of 2,400 bonds at $5,000 each dated February 15, 2014. The bonds were issued to provide funds for: (i) engineering, constructing, reconstructing, improving, repairing, developing, extending and expanding streets, thoroughfares, bridges, interchanges, intersections, grade separations, sidewalks and other public ways of the Town, including related streetscape improvements, public utility improvements, storm drainage facilities and improvements, signalization and other traffic controls, street lighting, and the acquisition of land therefor; relocating utilities currently located in or adjacent to the Belt Line Road right-of-way and acquiring, constructing, and developing Belt Line Road roadway and streetscape improvements and the acquisition of land therefor; and (iii) for the payment of the costs of issuing the Tax-Exempt Bonds. The bonds mature serially through 2034 with interest rates ranging from 3% to 3.625%. The bonds are callable at par plus accrued interest on or after February 15, 2024 in whole or in part in principal amounts of $5,000.	$ 8,700,000	$ -
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"		
Certificates of Obligation Series 2014		
A series of 1,513 bonds at $5,000 each dated February 15, 2014. The Certificates were issued for (i) designing, constructing, installing, acquiring and equipping additions, extensions and improvements to the Town's water and wastewater system, and the acquisition of land and interests in land for such projects, (the "Project") and (ii) paying professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the Certificates. The bonds mature serially through 2034 with interest rates ranging from 1% to 4%. The bonds are callable at par plus accrued interest on or after February 15, 2024 in whole or in part in principal amounts of $5,000.	$ -	$ 5,340,000
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"		
General Obligation Refunding Bonds Series 2016		
A series of 4,712 bonds at $5,000 each dated May 13, 2016. The bonds were issued to refund a portion of the Town's outstanding debt for debt service savings and to pay the costs associated with the issuance of the bonds. The bonds mature serially through 2033 with interest rates ranging from 3% to 5%. The bonds are callable at par plus accrued interest on or after February 15, 2026 in whole or in part in principal amounts of $5,000.	$ 13,910,000	$ 4,305,000
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"		

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
Combination Tax and Revenue Certificates of Obligation Series 2018		
A series of 2,623 bonds at $5,000 each dated December 11, 2018. The bonds were issued for the purpose of (i) designing, constructing, installing, acquiring and equipping additions, extensions and improvements to the Town's water and wastewater system, and the acquisition of land and interests in land for such projects, (ii) designing, acquiring, improving, constructing, and renovating facilities and infrastructure at the Addison Municipal Airport related to constructing and equipping a new customs and airport administration facility, and (iii) to pay for professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the certificates. The bonds mature serially through 2039 with interest rates ranging from 3% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2028 in whole or in part in principal amounts of $5,000. Bonds and interest are payable from a combination of Ad Valorem taxes and a limited pledge (not to exceed $1,000) of surplus net revenues of the Town's Utility Fund.	$ -	$ 11,935,000
Ratings: Moody's "Aaa"; Standard & Poor's "AAA"		
Combination Tax and Revenue Certificates of Obligation Series 2019		
A series of 3,380 bonds at $5,000 each dated September 10, 2019. The bonds were issued for the purpose of (i) engineering, constructing, reconstructing, improving, repairing, developing, extending and expanding streets, thoroughfares, bridges, interchanges, intersections, grade separations, sidewalks and other public ways of the Town, including related streetscape improvements, public utility improvements, storm drainage facilities and improvements, signalization and other traffic controls, street lighting, and the acquisition of land therefor, (ii) improvements to a groundwater well to supply water to the Town's Vitruvian Park, and (iii) to pay for professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the certificates. The bonds mature serially through 2039 with interest rates ranging from 3% to 4%. The bonds are callable at par value plus accrued interest on or after February 15, 2028 in whole or in part in principal amounts of $5,000.	$ 14,970,000	$ -
Ratings: Moody's "Aaa"; Standard & Poor's "AAA"		

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
General Obligation Bonds **Series 2020**		
A series of 2,727 bonds at $5,000 each dated August 11, 2020. The bonds were issued for the purpose of (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 aquiring rights-of-way in connection therewith, (ii) acquiring, developing, renovating and improving parks, park facilities, including the Addison Athletic Club, and open spaces for park and recreation purposes in and for the Town, including the acquisitio 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 ventalation equipment and systems, facade improvements, and improvements required by the Americans with Disabilites Act and other applicable laws, (iv) improving, aquiring and equipping advanced traffic control systems and facilities, and (v) paying of the costs of issuance of the Bonds. The bonds mature serially through 2040 with interest rates ranging from 2% to 5%. The bonds are callable at par value plus accrued interest on or after August 15, 2029 in whole or in part in principal amounts of $5,000.	$ 12,580,000	$ -
Ratings: Moody's "Aaa"; Standard & Poor's "AAA"		
General Obligation Refunding Bonds **Taxable Series 2020**		
A series of 2,641 bonds at $5,000 each dated August 11, 2020. The bonds were issued for the purpose of (i) refund the Refunded Bonds, and (ii) pay of the costs of issuance of the Bonds. The bonds mature serially through 2032 with interest rates ranging from 0.2% to 2%. The bonds are callable at par value plus accrued interest on or after August 15, 2029 in whole or in part in principal amounts of $5,000.	$ 12,650,000	$ -
Ratings: Moody's "Aaa"; Standard & Poor's "AAA"		

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
General Obligation Bonds **Series 2021**		
A series of 2,970 bonds at $5,000 each dated August 1, 2021. The bonds were issued for the purpose of (i) engineering, constructing, reconstructing, improving, repairing, developing, extending and expanding streets, thoroughfares, intersections, grade separations, sidewalks, and other public ways of the Town, including related streetscape improvements, public utility improvements, storm drainage facilities and improvements, signalization and other traffic controls, street lighting and the acquisition of land therefor, (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 ventalation equipment and systems, facade improvements, and improvements required by the Americans with Disabilites Act and other applicable laws, (iv) improving, aquiring and equipping advanced traffic control systems and facilities, and (v) paying of the costs of issuance of the Bonds. The bonds mature serially through 2041 with interest rates ranging from 2% to 5%. The bonds are callable at par value plus accrued interest on or after August 15, 2030 in whole or in part in principal amounts of $5,000. Ratings: Moody's "Aaa"; Standard & Poor's "AAA"	$ 14,310,000	$ -
General Obligation Refunding Bonds **Taxable Series 2021**		
A series of 2,192 bonds at $5,000 each dated August 1, 2021. The bonds were issued for the purpose of (i) to refund certain outstanding ad valorem tax obligations of the Town as described in Schedule I - Schedule of Refunding Obligations for debt service savings, and (ii) for payment of the costs of issuance of the Taxable Bonds. The bonds mature serially through 2033 with interest rates ranging from 1.15% to 3%. The bonds are callable at par value plus accrued interest on or after August 15, 2030 in whole or in part in principal amounts of $5,000. Ratings: Moody's "Aaa"; Standard & Poor's "AAA"	$ 4,235,000	$ 6,520,000

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
General Obligation Refunding Bonds Series 2022		
A series of 1,734 bonds at $5,000 each dated January 1, 2022. The bonds were issued for the purpose of (i) to refund certain outstanding ad valorem tax obligations of the Town as described in Schedule I – Schedule of Refunded Obligations for debt service savings, and (ii) to pay the costs of issuance of the Bonds. The bonds mature serially through 2037 with interest rates ranging from 2% to 4%. The bonds are callable at par value plus accrued interest on or after February 15, 2031 in whole or in part in principal amounts of $5,000.	$ 8,670,000	$ -
Ratings: Moody's "Aaa"; Standard & Poor's "AAA"		
General Obligation Bonds Series 2022		
A series of 2,028 bonds at $5,000 each dated August 1, 2022. The bonds were issued for the purpose of (i) engineering, constructing, reconstructing, improving, repairing, developing, extending and expanding streets, thoroughfares, bridges, interchanges, intersections, grade separations, sidewalks and other public ways of the Town, including related streetscape improvements, public utility improvements, storm drainage facilities and improvements, signalization and other traffic controls, street lighting, and the acquisition of land therefor, (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 and (iv) paying the costs of issuing the Bonds. The bonds mature serially through 2042 with interest rates ranging from 3% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2032 in whole or in part in principal amounts of $5,000.	$ 10,140,000	$ -
Ratings: Moody's "Aaa"; Standard & Poor's "AAA"		

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
Combination Tax and Revenue Certificates of Obligation Series 2022		
A series of 2,499 bonds at $5,000 each dated August 1, 2022. The bonds were issued for the purpose of (i) designing, engineering, developing, constructing, improving and repairing, extending and expanding streets, thoroughfares and bridges, including streetscaping, related storm drainage improvements, signalization and other traffic controls, sidewalks, street lights and the acquisition of any right of way therefor; (ii) designing, developing, constructing, and improving Town water and sewer system improvements and facilities; and (vi) professional services incurred in connection with items (i) and (ii), and to pay the costs incurred in connection with the issuance of the Certificates. The bonds mature serially through 2042 with interest rates ranging from 3.5% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2032 in whole or in part in principal amounts of $5,000. Ratings: Moody's "Aaa"; Standard & Poor's "AAA"	$ 9,615,000	$ 2,880,000
TOTAL LONG-TERM DEBT OUTSTANDING	$ 110,150,000	$ 31,450,000

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

Changes in Long-Term Liabilities

A summary of long-term liability activity for the year ended September 30, 2022 was as follows (**in thousands of dollars**):

	Beginning Balance (Restated)	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	$ 71,035	$ 18,810	$ (4,280)	$ 85,565	$ 5,475
Premium on General Obligation Bonds	4,768	1,381	(743)	5,406	-
Discount on General Obligation Bonds	(12)	-	5	(7)	-
Certificates of Obligation	25,835	9,615	(10,865)	24,585	990
Premium on Certificates of Obligation	1,009	464	(109)	1,364	-
Discount on Certificates of Obligation	(70)	-	70	-	-
Leases	721	-	(220)	501	226
Net Pension Liability	2,119	-	(2,119)	-	-
Compensated Absences	1,245	128	(235)	1,138	197
Total OPEB Liability	4,595	448	(199)	4,844	218
Long-Term Liabilities – Governmental Activities	$ 111,245	$ 30,846	$ (18,695)	$ 123,396	$ 7,106
Business-type Activities:					
General Obligation Refunding Bonds (Payable from airport, storm water, and utility revenues)	$ 11,290	$ -	$ (465)	$ 10,825	$ 475
Premium on General Obligation Refunding Bonds	553	-	(91)	462	-
Discount on General Obligation Refunding Bonds	(9)	-	1	(8)	-
Combination Tax and Revenue Certificates of Obligation (Payable from airport revenues)	6,815	-	(390)	6,425	405
Premium on Combination Tax and Revenue C.O.	207	-	(24)	183	-
Combination Tax and Revenue Certificates of Obligation (Payable from utility system revenues)	11,555	2,880	(570)	13,865	695
Premium on Combination Tax and Revenue C.O.	206	140	(20)	326	-
Combination Tax and Revenue Certificates of Obligation (Payable from storm water system revenues)	655	-	(320)	335	335
Premium on Combination Tax and Revenue C.O.	7	-	(7)	-	-
Net Pension Liability	157	-	(157)	-	-
Compensated Absences	191	36	(24)	203	30
Total OPEB Liability	399	39	(17)	421	-
Long-Term Liabilities – Business-type Activities	$ 32,026	$ 3,095	$ (2,084)	$ 33,037	$ 1,940

During the current fiscal year, the Town refunded $9,475,000 of governmental CO's with a $69,480 unamortized discount in a taxable refunding issuance entitled GO Refunding Bonds, Taxable Series 2022. No additional proceeds were received, and the Town paid $105,508 in issuance costs and underwriter discounts from the General Obligation Debt Service Fund. The new issuance resulted in $8,670,0000 governmental GO refunding bonds with a premium of $913,093. As a result of the taxable refunding, the Town reduced its total debt service requirements by $1,003,244, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately $868,303.

The Town intends to retire all of its general obligation bonds (other than those recorded in the enterprise funds), plus interest, from future Ad Valorem tax levies, interest income, and transfers from other funds. The Town is required by ordinance to create from such tax revenues a sinking fund sufficient to pay the current interest due thereon and each installment of principal as it becomes due. There is $652,117 available in the General Obligation Debt Service Fund to service the general obligation bonds.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

Proprietary fund-type debt is to be repaid from net revenues of the enterprise funds and is, accordingly, recorded as enterprise fund debt.

Bonded debt is direct obligations and pledge the full faith and credit of the government for both governmental and business-type activities. There are a number of limitations and restrictions contained in the various general obligations, certificates of obligation, and revenue bond indentures. The Town is in compliance with all significant limitations and restrictions at September 30, 2022.

For the governmental activities, compensated absences are generally liquidated in the General Fund, Economic Development Fund and Hotel Fund. Also for governmental activities, the net pension liability, if applicable, and total OPEB liability are generally liquidated from the General Fund.

The debt service requirements on the aforementioned bonded debt are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
General Obligation Bonds:				
2023	$ 5,475,000	$ 2,556,883	$ 475,000	$ 283,855
2024	5,605,000	2,419,948	965,000	264,655
2025	5,785,000	2,254,322	990,000	243,705
2026	5,975,000	2,077,223	1,020,000	219,955
2027	6,160,000	1,884,493	1,050,000	193,205
2028-2032	30,205,000	6,293,117	5,210,000	541,783
2033-2037	16,905,000	2,201,680	1,115,000	16,915
2038-2042	9,455,000	544,931	-	-
	$ 85,565,000	$ 20,232,597	$ 10,825,000	$ 1,764,073
Certificates of Obligation:				
2023	$ 990,000	$ 828,271	$ 1,435,000	$ 736,294
2024	1,010,000	810,881	990,000	701,013
2025	1,050,000	769,681	1,025,000	669,813
2026	1,095,000	725,056	1,065,000	634,113
2027	1,140,000	680,681	1,105,000	593,453
2028-2032	6,365,000	2,734,782	6,330,000	2,218,828
2033-2037	7,580,000	1,522,294	5,910,000	960,084
2038-2042	5,355,000	363,447	2,765,000	154,453
	$ 24,585,000	$ 8,435,093	$ 20,625,000	$ 6,668,051

At September 30, 2022, the Town had $54,872,000 authorized but unissued general obligation bonds.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables at September 30, 2022 is as follows, and it has been classified as internal balances within the government-wide statement of net position:

	Interfund Receivables	Interfund Payables	
Capital Project Fund	$ 353,333	$ -	Loan for Airport Rescue Fire-fighting Appararatus (ARFF);
Airport Fund	-	353,333	reimbursement expected in subsequent years
Total	$ 353,333	$ 353,333	

Transfers between funds during the year ended September 30, 2022 were comprised of the following:

Fund	Transfers In	Transfers Out	Purpose of Transfer
General Fund	$ -	$ 1,800,000	For capital projects
Capital Project Fund	1,800,000	-	For capital projects
General Fund	-	41,875	To fund infrastructure related to Stone Cottage
Hotel Fund	41,875	-	To fund infrastructure related to Stone Cottage
Hotel Fund	-	384,000	For economic development
Economic Development Fund	384,000	-	For economic development
Airport Fund	-	62,708	To fund infrastructure related to US Customs Facility
Airport Fund	-	220,467	To fund infrastructure related to US Customs Facility
Stormwater Fund	62,708	-	To fund infrastructure related to US Customs Facility
Utility Fund	220,467	-	To fund infrastructure related to US Customs Facility
Total Transfers	$ 2,509,050	$ 2,509,050	

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Leases

(1) Lease Receivable
During the current fiscal year, the Town of Addison had no leases as a lessor that were not one of the following: short-term, immaterial, or regulated. Regulated leases and short-term leases are discussed later in this note.

(2) Lease Payable
The measurement of the lease payable is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee. During the current fiscal year, the Town of Addison had three leases where the Town was the lessee, and they are described below.

Remote Capture Equipment Lease

As part of the Town of Addison's depository contract entered into in 2019, the Town leases six remote capture check scanners for a term of three years with three, one-year renewal options that will be exercised. An initial lease liability was recorded in the amount of $22,727 as of October 1, 2021. The Town is required to make fixed monthly principal and interest payments of $660. There are also variable monthly costs of $.09 per check deposited, $.80 per credit posted, and $.12 per deposit for reporting. For the fiscal year ending September 30, 2022 the Town paid $1,416 for variable costs. The lease has no stated interest rate, so the Town is using a short-term incremental borrowing rate of 3.07%. The equipment has an estimated useful life of 3 years remaining as of October 1, 2021. The value of the lease asset as of the end of the current fiscal year was $15,151, net of accumulated amortization of $7,576.

Chlorine Generators Equipment Lease

The Town entered into a lease agreement for two chlorine generators in 2020 for a term of five years plus 4, one-year renewal options that will be exercised. An initial lease liability was recorded in the amount of $172,257 as of October 1, 2021. The Town is required to make fixed monthly principal and interest payments of $2,048. The lease has no stated interest rate, so the Town is using a short-term incremental borrowing rate of 3.07%. The equipment has an estimated useful life of 8 years remaining as of October 1, 2021. The value of the lease asset as of the end of the current fiscal year was $150,725, net of accumulated amortization of $21,532.

Office Space Lease

The Town entered into a lease agreement for building office space in 2014 for an original term of five years, which was extended in 2019 for another five years. An initial lease liability was recorded in the amount of $526,903 as of October 1, 2021. The Town is required to make fixed monthly principal and interest payments of $17,267. The lease has no stated interest rate, so the Town is using a long-term incremental borrowing rate of 3.716%. The building has an estimated useful life of 3 years remaining as of October 1, 2021. The value of the lease asset as of the end of the current fiscal year was $351,269, net of accumulated amortization of $175,634.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

The future principal and interest lease payments for leases payable as of September 30, 2022 were as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2023	$ 225,918	$ 13,782	$ 239,700
2024	164,882	5,750	170,632
2025	21,492	3,084	24,576
2026	22,161	2,415	24,576
2027	22,851	1,725	24,576
2028-2032	43,757	1,299	45,056
Totals	$ 501,061	$ 28,055	$ 529,116

(3) GASB No. 87 Excluded Leases - Regulated
In accordance with GASB No. 87, the Town does not recognize a lease receivable and a deferred inflow of resources for regulated leases in which the Town is the lessor. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, between airports and air carries and other aeronautical users. The Town has the following regulated leases:

T and Patio Hangar Leases

These leases are aircraft storage rental agreements for T hangars, patio hangars, and the T hangar end-cap storage units. These leases allow the tenants the use of that portion of the hangar and ramp. Hangar usage is restricted to aviation use only and regulated by the FAA. These leases typically have a standard one-year term that fall to month-to-month with a 30 day termination notice. However, the Town had nine leases during the year that had terms exceeding one year. The revenue recognized for these leases during the fiscal year ended September 30, 2022 was $56,220.

Jet Hangar Leases

These leases are conventional hangar leases for commercial aviation use for larger aircrafts. The leases allow the tenants use of the hangar, ramp, and a parking area. Hangar usage is restricted to aviation use only and regulated by the FAA. The terms of these leases vary depending on the tenants' need and the airport's plan for the hangar's redevelopment. The leases typically have a CPI adjustment each year. The Town had six leases during the year that had terms exceeding one year. The revenue recognized for these leases during the fiscal year ended September 30, 2022 was $721,487.

Fuel Tank License Agreements

These aviation bulk fuel dispensing license agreements allow the license holders to take delivery and to store fuel in their designated fuel tanks owned by the Town. The license holder is responsible for maintaining a specific portion of the facilities, such as down-stream hoses, and the airport must maintain all other improvements. The tank rental fees consist of a base fee and an additional fee. The base fee has specific rent step increases stipulated in the agreements. The additional fee is assessed annually by the Town and consists of common area maintenance such as utilities and a replacement recovery allowance for the fuel tanks and related equipment. The Town had 16 leases during the year that had terms exceeding one year. The revenue recognized for these leases during the fiscal year ended September 30, 2022 was $178,147.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

The fuel tank license agreements also call for a fuel flowage variable fee that is $0.14 per gallon for public fixed base operations, which are fuel tank licensees that store their aircrafts and equipment at the Airport, and $0.22 for non-public operators' equipment and aircrafts that are not based at the airport. These rates can be changed by City Council, and licensees are given at least 30 days written notice of rate changes. The fuel flowage fees received during the fiscal year ended September 30, 2022 was $1,357,351.

Ground Leases

These leases are for use of the land owned by the Town. The tenant constructs or improves, owns, and maintains all the improvements on the land. The maximum statutory term of the ground leases are 40 years. These leases allow access to the land for aeronautical use. At the end of the ground lease, the improvements revert to Town ownership. These agreements typically have a biennial CPI adjustment. The Town had 30 leases during the year that had terms exceeding one year. The revenue recognized for these leases during the fiscal year ended September 30, 2022 was $3,319,442.

The future principal and interest lease receipts for regulated leases as of September 30, 2022 were as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2023	$ 1,609,924	$ 1,562,995	$ 3,172,919
2024	1,570,117	1,504,836	3,074,953
2025	1,460,456	1,448,100	2,908,556
2026	1,278,804	1,397,244	2,676,048
2027	1,327,093	1,348,955	2,676,048
2028-2032	6,899,245	5,988,553	12,887,798
2033-2037	6,918,713	4,685,402	11,604,115
2038-2042	5,528,881	3,554,108	9,082,989
2043-2047	5,644,612	2,494,646	8,139,258
2048-2052	5,014,868	1,511,809	6,526,677
2053-2057	3,535,664	710,405	4,246,069
2058-2062	2,064,289	120,981	2,185,270
Totals	$ 42,852,666	$ 26,328,034	$ 69,180,700

(4) GASB No. 87 Excluded Leases - Short-Term
Pursuant to GASB No. 87, the Town does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that, at the commencement of the lease term, have a maximum possible term under the lease contract of 12 months or less.

IV. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2022, the Town maintained workers compensation, general liability and property coverage through the Texas Municipal League Intergovernmental Risk Pool (TMLIRP). The Town pays an annual premium to TMLIRP for such coverage. TMLIRP purchases reinsurance and the Town does not retain risks of loss exceeding deductibles. The Town's general liability coverage is $5,000,000 and $10,000,000 in the aggregate. Settled claims have not exceeded insurance coverage in each of the past five years.

For the period of October 2021 to September 2022, the Town offered health benefits through one of two plans operated by Blue Cross Blue Shield. Employees were able to choose either an HSA (health savings account) plan or a PPO (preferred provider organization) plan. The Town also offers a dental plan through Delta Dental and a vision plan through Blue Cross Blue Shield of Texas Vision. The HSA, PPO, and dental plans are funded by joint contributions from the employees and the Town and are accounted for in the respective operating funds. The vision plan is solely from employee contributions.

Blue Cross and Delta Dental plans are fully insured contracts. Monthly premiums paid to Blue Cross and Delta Dental were based upon fixed employee and dependent rates that are established each year.

B. Employee's Retirement System

1) Pension Plan

For purposes of measuring the net pension liability/(asset), pension related deferred outflows and inflows of resources, and pension expense, Town specific information about its fiduciary net position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the Town's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the Town's net pension liability is obtained from TMRS through a report prepared for the Town by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27.*

Plan Description

The Town provides pension benefits for all of its full-time employees through a nontraditional, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of over 920 administered by TMRS, an agent multiple-employer public employee retirement system. Each of the municipalities has an annual individual actuarial valuation performed. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS' defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

IV. OTHER INFORMATION (CONTINUED)

TMRS issues a publicly available Annual Comprehensive Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153. The report is also available on the System's web site at: http://www.tmrs.com/publications.php.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

Benefits depend upon the sum of the employee's contributions to the plan and the Town-financed monetary credits, with interest. At the date the plan began, the Town granted monetary credits for services rendered before the plan began based on an amount equal to two times what would have been contributed by the employee plus interest. Monetary credits for service since the plan began are 200 percent of the employee's accumulated contributions. Beginning in 1994, the Town adopted an annually repeating type of monetary credit referred to as an updated service credit which when added to the employee's accumulated contributions and the monetary credits for service since the plan began would be the total monetary credits and employee contributions accumulated with interest, if the current employee contribution rate and Town matching percent had always been in existence. The calculation included a three-year exponential average of the actual salaries paid during the prior fiscal years.

At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits plus interest were used to purchase an annuity. Also, in 1994, the Town adopted annually repeating annuity increases for its retirees equal to 70% of the change in the consumer price index. The Town discontinued the annual increases in January 2009 and began doing ad hoc increases through 2014, still at 70%. The Town has not adopted an ad hoc COLA since 2014.

The plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes. Members can retire at certain ages, based on the years of service with the Town. The service retirement eligibilities for the Town are: 5 years/age 60, 20 years/any age. Plan provisions for the Town are as follows:

Deposit Rate:	7%
Matching Ratio (Town to Employee):	2 to 1
A member is vested after:	5 years

Employees covered by benefit terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	240
Inactive employees entitled to but not yet receiving benefits	241
Active employees	294
Total	775

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

IV. OTHER INFORMATION (CONTINUED)

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the Town matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the Town. Under the state law governing TMRS, the contribution rate for the Town is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Since the Town needs to know its contribution rates in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

Employees for the Town were required to contribute 7% of their annual gross earnings during the fiscal year. The Town elected to contribute at the full rates for calendar year 2021 of 11.56%. Accordingly, contributions to TMRS for the year ended September 30, 2022 were $2,796,361 and were equal to the required contribution.

Net Pension Liability/(Asset)

The Town's Net Pension Liability/(Asset) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability/(Asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year including inflation
Investment rate of return	6.75% net of pension plan investment expense including inflation

Salary increases were based on service-related tables. Mortality rates for active members and retirees were multiplied by 107.5% for both males and females. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the same table as healthy retirees is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2021, valuation were based on the actuarial investigation of experience of TMRS. This investigation was for the period December 31, 2014 through December 31, 2018.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

IV. OTHER INFORMATION (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Location	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public and Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
Total	100.0%	

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.75%. A single discount rate of 6.75% was used to measure the total pension liability as of December 31, 2021. This single discount rate was based on the expected rate of return on pension plan investments of 6.75%. Based on the stated assumptions and the projection of cash flows, the Town's fiduciary net position and future contributions were sufficient to finance the future benefit payments of the current plan members for all projection years. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability for the Town. The projection of cash flows used to determine the single discount rate for the Town assumed that the funding policy adopted by the TMRS Board will remain in effect for all future years. Under this funding policy, the Town will finance the unfunded actuarial accrued liability over the years remaining for the closed period existing for each base in addition to the employer portion of all future benefit accruals (i.e. the employer normal cost).

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

IV. OTHER INFORMATION (CONTINUED)

Changes in the Net Pension Liability/(Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at 10/1/2021	$ 142,180,149	$ 139,904,902	$ 2,275,247
Changes for the year:			
Service cost	3,866,304	-	3,866,304
Interest	9,468,644	-	9,468,644
Difference between expected and actual experience	666,896	-	666,896
Contributions - employer	-	2,796,361	(2,796,361)
Contributions - employee	-	1,725,318	(1,725,318)
Net investment income	-	18,211,116	(18,211,116)
Benefit payments, including refunds of employee contributions	(7,674,193)	(7,674,193)	-
Administrative expense	-	(84,389)	84,389
Other	-	577	(577)
Net changes	6,327,651	14,974,790	(8,647,139)
Balance at 9/30/2022	$ 148,507,800	$ 154,879,692	$ (6,371,892)

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Town, calculated using the discount rate of 6.75% as well as what the Town's net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Town's net pension liability/(asset)	$ 13,101,081	$ (6,371,892)	$ (22,476,776)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained at *www.tmrs.com*.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2022, the Town recognized pension income of $204,235. At September 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

IV. OTHER INFORMATION (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual economic experience	$ 1,130,913	$ -
Contributions subsequent to the measurement date	2,107,761	-
Change of assumptions	107,296	-
Difference between projected and actual investment earnings	-	(9,336,648)
Total	$ 3,345,970	$ (9,336,648)

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date but before the end of the Town's reporting period of $2,107,761 will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30	Net deferred outflows (inflows) of resources
2023	$ (892,316)
2024	(3,638,448)
2025	(1,814,169)
2026	(1,753,506)
Total	$ (8,098,439)

Allocation of Pension Items

The City allocates pension items between governmental activities and business-type activities on the basis of employee payroll.

2) Deferred Compensation Plan

The Town offers all employees a deferred compensation plan through Mission Squared (Trustee) in accordance with Internal Revenue Code Section 457. The ICMA-RC 457 plan provides employees the option to supplement their TMRS retirement benefits by making pre-tax contributions to their plan. The Town matches 2.67% of employee contributions up to 4.0% of their base salaries. The 457 plan contribution maximums for 2022 are $20,500 for individuals under 50, $26,500 for age 50 catch-up, and $39,500 for the regular catch-up provision. Employees may enroll in the plan and/or change their contribution amounts at any time. The total amount contributed by the Town for fiscal year 2022 was $653,222.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

IV. OTHER INFORMATION (CONTINUED)

3) Other Postemployment Benefits

A summary of OPEB related items as of and for the year ended September 30, 2022, is presented below.

Plan	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Health Care Plan				
Governmental Activities	$ 3,508,366	$ 473,944	$ (135,174)	$ 303,413
Business-Type Activities	304,811	41,187	(11,756)	26,384
Supplemental Death Benefits				
Governmental Activities	1,335,486	245,378	(39,389)	138,806
Business-Type Activities	116,028	21,331	(3,425)	12,070
Total	$ 5,264,691	$ 781,840	$ (189,744)	$ 480,673

Retiree Health Care Plan Description

In addition to the pension benefits described above, as required by state law and defined by Town Policy, the Town makes available health care benefits to all employees who retire from the Town and who are receiving benefits from a Town-sponsored retirement program (Texas Municipal Retirement System and/or a Section 457 Deferred Compensation Plan) through a single-employer defined benefit healthcare plan. This healthcare plan provides lifetime insurance, or until age 65 if eligible for Medicare, to eligible retirees, their spouses and dependents through the Town's group health insurance plan, which covers both active and retired members. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

Current retirees in the health plan and active employees with 20 years or more of service or at age 60 or more with five years or more of service at retirement are eligible to remain in the health plan at the total blended contribution rate for active and retiree participants. Since an irrevocable trust has not been established, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report. Benefit provisions for retirees are not mandated by any form of employment agreement. The continued provision of these benefits is based entirely on the discretion of the Town of Addison City Council.

A measurement date of December 31, 2021 was used for the September 30, 2022 liability and expense. The information that follows was determined as of a valuation date of December 31, 2021.

Employees covered by benefit terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	53
Active Members	278
Total	331

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

IV. OTHER INFORMATION (CONTINUED)

Contributions

Before age 65, the Town will pay a $150 monthly stipend toward the retiree's healthcare premium if the retiring employee meets the eligibility criteria at the time of termination and elects coverage in the health plan. For members who retire after 65 or were eligible for the $150 stipend before age 65, the Town will pay a $75 monthly stipend directly to the retiree. Current retirees contribute to the health plan the total blended premium for active and retired participants, less the $150 stipend provided by the Town. The Town contribution to the health plan consists of total premiums in excess of retiree contributions.

Retirees receiving medical benefits during fiscal year 2022 contributed $499 to $1,600 per month depending on coverage levels selected. In fiscal year 2022, total retiree contributions were $190,552.

Total OPEB Liability for Retiree Health Care Plan

The Town of Addison utilized the actuarial services of Gabriel, Roeder, Smith & Company (GRS), a company who has been providing actuarial consulting services since 1938, under the shared services arrangement provided by GRS and North Central Texas Council of Governments. The Town's total OPEB liability for healthcare benefits of $3,813,177 was measured as of December 31, 2021.

Actuarial assumptions

The Town's total OPEB Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation	2.50% per year
Salary Increases	3.50% to 11.50%, including inflation
Discount rate	1.84% (2.00% in prior year)
Healthcare cost trend rates	7.0% for 2022, declining to 4.25% after 13 years
Participation rates	50% of employees who retire before age 65 and 90% of employees who retire at age 65 or older (same in prior year)

For plans that do not have a formal trust that meets the GASB's requirements, the discount rate is equal to the tax-exempt municipal bond rate based on a 20-year general obligation AA bond rating as of the measurement date. The rate of 1.84 percent is based on the daily rate closest to but not later than the measurement date using the Fidelity 20-Year Municipal G.O. AA Index.

Mortality rates were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables and projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

IV. OTHER INFORMATION (CONTINUED)

Changes in the Total OPEB Liability for Retiree Health Care Plan

	Total OPEB Liability
Balance as of 10/1/21	$ 3,655,367
Changes for the year:	
Service cost	221,235
Interest on OPEB Liability	73,244
Effect of difference in expected & actual experience	10,432
Effect of changes of assumptions	60,506
Benefit payments	(207,607)
Change in total OPEB Liability	157,810
Balance as of 9/30/22	$ 3,813,177

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following presents the plan's total OPEB liability of the Town, calculated using a discount rate of 1.84% as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.84%) or 1-percentage-point higher (2.84%) than the current rate:

	1% Decrease 0.84%	Current Discount Rate 1.84%	1% Increase 2.84%
Total OPEB liability	$ 4,220,699	$ 3,813,177	$ 3,454,560

Sensitivity of Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the plan's total OPEB liability of the Town, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Total OPEB liability	$ 3,479,713	$ 3,813,177	$ 4,218,243

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

IV. OTHER INFORMATION (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2022, the Town recognized OPEB expense of $329,797. At September 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual economic experience	$ 9,258	$ (92,800)
Change of assumptions	364,922	(54,130)
Benefit payments made subsequent to measurement date	140,951	-
Total	$ 515,131	$ (146,930)

Deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date but before the end of the Town's reporting period of $140,951 will be recognized as a decrease to the total OPEB liability during the year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30	Net deferred outflows (inflows) of resources
2023	$ 35,318
2024	35,318
2025	35,318
2026	35,318
2027	26,373
Thereafter	59,605
Total	$ 227,250

IV. OTHER INFORMATION (CONTINUED)

Supplemental Death Benefits Fund Description

Texas Municipal Retirement System ("TMRS") administers an agent multiple-employer defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

A measurement date of December 31, 2021 was used for the September 30, 2022 liability and expense. The information that follows was determined as of a valuation date of December 31, 2021.

Employees covered by benefit terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	175
Inactive employees entitled to but not yet receiving benefits	66
Active employees	294
Total	535

Contributions

Due to the SDBF being considered an unfunded OPEB plan, benefit payments are treated as being equal to the employer's yearly contribution for retirees. The Town's Supplemental Death Benefit Plan contributions for 2022 were $22,065.

Total OPEB Liability for Supplemental Death Benefits

The Town's total OPEB liability for supplemental death benefits of $1,451,514 was measured as of December 31, 2021.

Actuarial assumptions

The Total OPEB Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation	2.50% per year
Salary increases	3.50% to 11.50%, including inflation
Discount rate	1.84% (2.00% in prior year)

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

IV. OTHER INFORMATION (CONTINUED)

For plans that do not have a formal trust that meets the GASB's requirements, the discount rate is equal to the tax-exempt municipal bond rate based on a 20-year general obligation AA bond rating as of the measurement date. The rate of 2.00 percent is based on the daily rate closest to but not later than the measurement date using the Fidelity 20-Year Municipal G.O. AA Index.

Mortality rates were based on the 2019 Municipal Retirees of Texas Mortality Tables and projected on a fully generational basis with scale UMP.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Changes in the Total OPEB Liability for supplemental death benefits

	Total OPEB Liability
Balance as of 10/1/21	$ 1,338,872
Changes for the year:	
Service cost	58,840
Interest on OPEB Liability	27,145
Effect of difference in expected & actual experience	3,010
Effect of changes in assumptions or other inputs	45,712
Benefit payments	(22,065)
Change in OPEB Liability	112,642
Balance as of 9/30/22	$ 1,451,514

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following presents the plan's total OPEB liability of the Town, calculated using a discount rate of 1.84% as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.84%) or 1-percentage-point higher (2.84%) than the current rate:

	1% Decrease 0.84%	Current Discount Rate 1.84%	1% Increase 2.84%
Total OPEB liability	$ 1,788,727	$ 1,451,514	$ 1,194,714

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2022, the Town recognized OPEB expense of $150,876. At September 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,485	$ (20,172)
Change of assumptions	264,224	(22,642)
Total	$ 266,709	$ (42,814)

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

IV. OTHER INFORMATION (CONTINUED)

Deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30	Net deferred outflows (inflows) of resources
2023	$ 64,495
2024	52,241
2025	66,907
2026	33,977
2027	6,275
Total	$ 223,895

C. Contingencies

The Town is party to various legal actions arising in the ordinary course of business, none of which is believed by the Town's management to have a material impact on the financial condition of the Town. Accordingly, no provision for losses has been recorded in the accompanying financial statements for such contingencies.

The Town of Addison has a $5,000,000 loan from the North Central Texas Council of Governments (NCTCOG) for Addison's future contribution to Dallas Area Rapid Transit (DART) for the Cotton Belt, also known as the Silver Line. NCTCOG transferred the $5,000,000 to DART in 2019. The loan is to be repaid over 10 years at 1.8% interest, starting after the completion of the Cotton Belt. The Town of Addison is not responsible for any repayment of the loan unless and until the Cotton Belt is finished. If the Cotton Belt fails to materialize, the Town has no obligation to repay the loan. Completion is currently anticipated in 2024.

D. Tax Incentive Rebates

The Town of Addison has three active Commercial Development and Job Related Incentive Rebates that develop or redevelop a particular property attracting businesses that generate incremental tax revenues. In addition to GASB 77, the agreements are subject to Chapter 380 of the Texas Local Government Code that promotes local economic development, commercial activity and business stimulation. City Council approves the agreements via resolution. As part of the agreements, the Town agrees to rebate a portion of the ad valorem or sales tax after confirmation of payment. If the businesses do not meet the obligations as set forth in the agreements in a particular year, the businesses forego the rebates in that year.

The agreement with one entity, executed March 4, 2016, provides a rebate for 50% of business personal property (ad valorem) tax for ten years and a total amount of $50,000 for waiver of permit fees. The entity did not meet the eligibility criteria to receive the incentive in the year ended September 30, 2022, and the amount forgone was $17,375. Over the life of the contract, the entity has forgone $104,247.

The agreement with one entity, executed September 27, 2022, provides a rebate for 50% of business personal property (ad valorem) tax for five years and a total amount of $6,069 for waiver of permit fees. The entity did not meet the eligibility criteria to receive the incentive in the year ended September 30, 2022 because of the execution date of the agreement, the amount forgone was $0. Over the life of the contract, the entity has forgone and paid $0.

IV. OTHER INFORMATION (CONTINUED)

The agreement with the another entity provides a rebate for 75% of sales tax over a threshold amount, of which the calculation is outlined in the contract. The Town paid $358,364 during the fiscal year ended September 30, 2022, and has paid $2,110,759 over the life of the contract. Also, the contract allows for the Town of Addison to commission an independent traffic study regarding an area specified in the contract, and if warranted, the Town will pay for capital expenses related to potential signalization or other needed improvements in the specified area.

No traffic study has been warranted or commissioned as of September 30, 2022. Also, the contract requires a tree mitigation amount of $424,385 to be paid in five installments starting the 10th anniversary of the contract execution date, which was in August 2012.

E. New Accounting Pronouncements

The Town has adopted and implemented the following statements during the fiscal year 2022.

Statement No. 87, *Leases* – This statement establishes a single approach to accounting for and reporting leases by state and local governments. The adoption had no material effect on the Town's net position, and no restatement of net position was made.

Statement No. 92, *Omnibus 2020* – This statement improves comparability and consistency of application of accounting and financial reporting and also authoritative literature. The adoption had no impact on the Town's net position.

Statement No. 93, *Replacement of Interbank Offered Rates* – This statement addresses implications caused by the replacement of an IBOR. The adoption had no impact on the Town's net position.

The GASB has issued the following statements which will become effective in a future year.

Statement No. 91, *Conduit Debt Obligations* – This statement provides a single method of reporting conduit debt and clarifies that these obligations are not government liabilities. This statement will be effective for the Town in fiscal year 2023. The Town will evaluate the potential impact on the Town's net position.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – This statement addresses issues related to public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs). This statement will be effective for the Town in fiscal year 2023. The Town will evaluate the potential impact on the Town's net position.

Statement No. 96, *Subscription-Based Information Technology Arrangements* – This statement provides guidance on subscription-based information technology arrangements (SBITAs) to further report on government's obligations and assets from SBITAs. This statement will be effective for the Town in fiscal year 2023. The Town will evaluate the potential impact on the Town's net position.

Statement No. 99, *Omnibus 2022* – This statement improves comparability and consistency of application of accounting and financial reporting and also authoritative literature. This statement will be effective for the Town in fiscal year 2023. The Town will evaluate the potential impact on the Town's net position.

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62 – This statement improves the clarity and requirements for accounting changes and error corrections. This statement will be effective for the Town in fiscal year 2024. The Town will evaluate the potential impact on the Town's net position.

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

IV. OTHER INFORMATION (CONTINUED)

GASB Statement No. 101, *Compensated Absences* – This statement addresses the recognition and measurement of compensated absenses. This statement will be effective for the Town in fiscal year 2025. The Town will evaluate the potential impact on the Town's net position.

Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION

Texas Municipal Retirement System
Schedule of the Town's Changes in Net Pension Liability/(Asset) and Related Ratios (Unaudited)
Last Eight Measurement Years (Previous years are not available)

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017
Total pension liability:				
Service cost	$ 2,819,937	$ 3,120,695	$ 2,740,122	$ 2,862,674
Interest (on the Total Pension Liability)	8,660,470	9,031,058	7,721,380	8,023,052
Changes in benefit terms including substantively automatic status	-	-	(20,027,692)	-
Difference between expected and actual experience	(987,858)	(1,253,581)	(37,547)	827,177
Change in assumptions	-	467,077	-	-
Benefit payments, including refunds of employee contributions	(5,193,445)	(5,504,175)	(6,038,979)	(5,993,041)
Net change in total pension liability	5,299,104	5,861,074	(15,642,716)	5,719,862
Total pension liability - beginning	124,907,757	130,206,861	136,067,935	120,425,219
Total pension liability - ending (a)	130,206,861	136,067,935	120,425,219	126,145,081
Plan fiduciary net position:				
Contributions - employer	1,789,255	1,824,122	1,743,443	1,942,088
Contributions - employee	1,224,976	1,257,382	1,266,899	1,323,808
Net investment income	6,157,338	164,587	7,376,667	15,717,180
Benefit payments, including refunds of employee contributions	(5,193,445)	(5,504,175)	(6,038,979)	(5,993,041)
Administrative expense	(64,289)	(100,255)	(83,336)	(81,484)
Other	(5,286)	(4,952)	(4,490)	(4,130)
Net change in plan fiduciary net position	3,908,549	(2,363,291)	4,260,204	12,904,421
Plan fiduciary net position - beginning	107,639,477	111,548,026	109,184,735	113,444,939
Plan fiduciary net position - ending (b)	111,548,026	109,184,735	113,444,939	126,349,360
Net pension liability/(asset) - ending (a) - (b)	$ 18,658,835	$ 26,883,200	$ 6,980,280	$ (204,279)
Plan fiduciary net position as a percentage of total pension liability	85.67%	80.24%	94.20%	100.16%
Covered payroll	$ 17,479,153	$ 17,945,341	$ 18,098,559	$ 18,895,541
Net pension liability/(asset) as a percentage of covered payroll	106.75%	149.81%	38.57%	-1.08%

Changes in assumptions: In the 2015 valuation the investment rate of return decreased from 7.0% to 6.75%; the inflation rate was lowered from 3.0% to 2.5%; the experience study for retirement age was updated.

The information in this schedule has been determined as of the measurement date (December 31) of the Town's net pension liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 68, only periods of which such information is available are presented.

REQUIRED SUPPLEMENTARY INFORMATION
Texas Municipal Retirement System
Schedule of the Town's Changes in Net Pension Liability/(Asset) and Related Ratios, Continued (Unaudited)
Last Eight Measurement Years (Previous years are not available)

	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021
Total pension liability:				
Service cost	$ 3,028,227	$ 3,261,975	$ 3,442,943	$ 3,866,304
Interest (on the Total Pension Liability)	8,365,372	8,672,125	9,077,037	9,468,644
Changes in benefit terms including substantively automatic status	-	-	-	-
Difference between expected and actual experience	154,569	857,318	800,065	666,896
Change in assumptions	-	402,607	-	-
Benefit payments, including refunds of employee contributions	(7,455,524)	(6,785,567)	(7,786,079)	(7,674,193)
Net change in total pension liability	4,092,644	6,408,458	5,533,966	6,327,651
Total pension liability - beginning	126,145,081	130,237,725	136,646,183	142,180,149
Total pension liability - ending (a)	130,237,725	136,646,183	142,180,149	148,507,800
Plan fiduciary net position:				
Contributions - employer	2,066,662	2,259,912	2,450,696	2,796,361
Contributions - employee	1,382,710	1,480,167	1,551,077	1,725,318
Net investment income	(3,781,614)	18,296,106	10,128,771	18,211,116
Benefit payments, including refunds of employee contributions	(7,455,524)	(6,785,567)	(7,786,079)	(7,674,193)
Administrative expense	(73,147)	(103,502)	(65,634)	(84,389)
Other	(3,822)	(3,109)	(2,561)	578
Net change in plan fiduciary net position	(7,864,734)	15,144,007	6,276,270	14,974,790
Plan fiduciary net position - beginning	126,349,361	118,484,627	133,628,634	139,904,902
Plan fiduciary net position - ending (b)	118,484,627	133,628,634	139,904,904	154,879,692
Net pension liability/(asset) - ending (a) - (b)	$ 11,753,098	$ 3,017,549	$ 2,275,245	$ (6,371,892)
Plan fiduciary net position as a percentage of total pension liability	90.98%	97.79%	98.40%	104.29%
Covered payroll	$ 19,727,861	$ 21,140,471	$ 22,112,672	$ 24,516,829
Net pension liability/(asset) as a percentage of covered payroll	59.58%	14.27%	10.29%	-25.99%

Changes in assumptions: In the 2015 valuation the investment rate of return decreased from 7.0% to 6.75%; the inflation rate was lowered from 3.0% to 2.5%; the experience study for retirement age was updated.

The information in this schedule has been determined as of the measurement date (December 31) of the Town's net pension liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 68, only periods of which such information is available are presented.

REQUIRED SUPPLEMENTARY INFORMATION

Texas Municipal Retirement System
Schedule of Town Contributions (Unaudited)
September 30, 2022

Fiscal Year	(1) Actuarially determined contribution	(2) Contribution in relation to the actuarially determined contribution	(3) = (2) - (1) Contribution excess (deficiency)	(4) Covered payroll	(5) = (1) / (4) Actuarially determined contributions as a percentage of covered payroll	(6) = (2) / (4) Contributions as a percentage of covered payroll
2015	1,874,383	1,874,383	-	18,804,927	9.97%	9.97%
2016	1,786,827	1,786,827	-	18,465,892	9.68%	9.68%
2017	1,893,931	1,893,931	-	18,796,558	10.08%	10.08%
2018	2,136,195	2,136,195	-	19,933,808	10.72%	10.72%
2019	2,172,375	2,172,375	-	21,064,448	10.31%	10.31%
2020	2,259,912	2,259,912	-	21,140,471	10.69%	10.69%
2021	2,450,696	2,450,696	-	22,268,039	11.01%	11.01%
2022	2,796,361	2,796,361	-	24,627,157	11.35%	11.35%

Notes to Schedule:

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumption Used to Determine Contribution Rate for 2022:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years
Asset Valuation Method	10 year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.5% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other Information:	
Notes	There were no benefit changes during the year.

The information in this schedule has been determined as of the Town's fiscal year-end and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 68, only periods for which such information is available are presented.

REQUIRED SUPPLEMENTARY INFORMATION
Retiree Healthcare Plan
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios (Unaudited)
Last Five Measurement Years (Previous years are not available)

Total OPEB liability:	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021
Total OPEB liability - beginning	$ 2,881,200	$ 3,152,539	$ 3,160,157	$ 3,434,751	$ 3,655,367
Service cost	135,826	176,485	151,275	223,105	221,235
Interest on the total OPEB liability	110,017	105,055	117,504	94,810	73,244
Difference between expected and actual experience of the total OPEB liability	(4,477)	(45,102)	(1,268)	(82,782)	10,432
Changes of assumptions	153,032	(94,984)	144,221	182,815	60,506
Benefit payments	(123,059)	(133,836)	(137,138)	(197,332)	(207,607)
Net change in total OPEB liability	271,339	7,618	274,594	220,616	157,810
Total OPEB liability - ending	$ 3,152,539	$ 3,160,157	$ 3,434,751	$ 3,655,367	$ 3,813,177
Covered-employee payroll	$ 18,897,760	$ 20,042,555	$ 21,353,599	$ 22,268,039	$ 24,627,157
Total OPEB liability as a percentage of covered-employee payroll	16.68%	15.77%	16.09%	16.42%	15.48%

Changes of assumptions reflect a change in the discount rate from 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for this OPEB plan.

The information in the schedule has been determined as of the measurement date (December 31) of the Town's total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

REQUIRED SUPPLEMENTARY INFORMATION

TMRS Supplemental Death Benefits Fund (SDBF)
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios (Unaudited)
Last Five Measurement Years (Previous years are not available)

Total OPEB liability:	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021
Total OPEB liability - beginning	$ 794,578	$ 918,237	$ 878,424	$ 1,105,399	$ 1,338,872
Service cost	20,785	25,646	25,369	37,592	58,840
Interest on the total OPEB liability	30,321	30,720	32,942	30,824	27,145
Differences between expected and actual experience	-	(21,647)	(10,521)	(11,779)	3,010
Changes of assumptions	78,222	(68,614)	185,527	183,470	45,712
Benefit payments	(5,669)	(5,918)	(6,342)	(6,634)	(22,065)
Net change in total OPEB liability	123,659	(39,813)	226,975	233,473	112,642
Total OPEB liability - ending	$ 918,237	$ 878,424	$ 1,105,399	$ 1,338,872	$ 1,451,514
Covered-employee payroll	$ 18,895,541	$ 19,727,861	$ 21,140,471	$ 22,112,672	$ 24,516,829
Total OPEB liability as a percentage of covered-employee payroll	4.86%	4.45%	5.23%	6.05%	5.92%

Changes of assumptions reflect a change in the discount rate from 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for this OPEB plan.

The information in the schedule has been determined as of the measurement date (December 31) of the Town's total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

DEBT SERVICE FUND

The **General Obligation Debt Service Fund** accounts for the accumulation of resources to be used for payment of principal and interest on the general obligation bonded debt of the Town.

General Obligation Debt Service
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2022

	2022			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Current Property Taxes	$ 8,500,108	$ 8,500,108	$ 8,697,460	$ 197,352
Delinquent Property Taxes	(20,000)	(20,000)	(85,470)	(65,470)
Penalties and Interest	20,000	20,000	24,078	4,078
Net Investment Income/(Loss)	2,500	2,500	(64,746)	(67,246)
Other	-	-	3,600	3,600
Total Revenues	8,502,608	8,502,608	8,574,922	72,314
EXPENDITURES:				
Contractual Services	5,000	5,000	-	5,000
Principal Retirement	5,562,326	5,562,326	5,670,000	(107,674)
Interest and Fiscal Charges	2,932,860	2,932,860	2,931,724	1,136
Total Expenditures	8,500,186	8,500,186	8,601,724	(101,538)
Excess/(Deficiency) of Revenues over Expenditures	2,422	2,422	(26,802)	(29,224)
OTHER FINANCING SOURCES/(USES):				
Proceeds from Debt Issuance or Refunding	-	9,600,000	8,670,000	(930,000)
Payment to Refunded Bonds Escrow Agent	-	(9,600,000)	(9,477,585)	122,415
Premium on Issuance or Refunding	-	-	913,093	913,093
Net Change in Fund Balance	2,422	2,422	78,706	76,284
Fund Balances at Beginning of Year	573,411	573,411	573,411	-
Fund Balances at End of Year	$ 575,833	$ 575,833	$ 652,117	$ 76,284

NON-MAJOR GOVERNMENTAL FUNDS

The **Municipal Court Fund** accounts for the Town's court building security and technology fees that are generated from court citation fines. According to state law, the revenue generated from these fees may only be spent on the municipal court.

The **Public Safety Fund** accounts for awards of monies or property by the courts relating to cases that involve the Addison Police Department.

The **Grant Fund** fund accounts for grant monies that are received prior to the related expenditure, and therefore, the fund may carry a balance from year to year if the Town does not expend the monies within the fiscal year. The fund also accounts for expenditures for which the Town expects to be reimbursed. This fund was previously reported as two separate funds - the Advance Funding Grant Fund and the Reimbursement Grant Fund, but they were combined into one reporting fund in fiscal year 2022.

The **Economic Development Fund** accumulates resources to support efforts that attract commercial enterprises to Addison and encourage existing businesses to remain in Addison.

The **PEG Fees Fund** accounts for state restricted fees collected and the expenditures using these monies.

Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2022

	Special Revenue Funds					
	Municipal Court Fund	Public Safety Fund	Grant Fund	Economic Development Fund	PEG Fees Fund	Total Nonmajor Governmental Funds
ASSETS:						
Pooled Cash and Investments	$ 344,543	$ 79,397	$ 52,305	$ 2,050,778	$ 314,784	$ 2,841,807
Receivables:						
Ad Valorem Taxes, Including Interest and Penalties, Net	-	-	-	11,457	-	11,457
Interest	1,495	294	240	9,480	1,436	12,945
Total Assets	$ 346,038	$ 79,691	$ 52,545	$ 2,071,715	$ 316,220	$ 2,866,209
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:						
Liabilities:						
Accounts Payable and Accrued Liabilities	$ 74,109	$ 15,727	$ -	$ 79,971	$ 98,217	$ 268,024
Total Liabilities	74,109	15,727	-	79,971	98,217	268,024
Deferred Inflows of Resources:						
Unavailable Resources	-	-	-	11,457	-	11,457
Total Deferred Inflows of Resources	-	-	-	11,457	-	11,457
Fund Balances:						
Restricted						
Child Safety	140,935	-	-	-	-	140,935
Justice Administration	43,286	-	-	-	-	43,286
Court Technology	41,069	-	-	-	-	41,069
Court Security	46,639	-	-	-	-	46,639
Public Safety	-	63,964	52,545	-	-	116,509
Governmental Public Education	-	-	-	-	218,003	218,003
Committed:						
Economic Development	-	-	-	1,980,287	-	1,980,287
Total Fund Balance	271,929	63,964	52,545	1,980,287	218,003	2,586,728
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 346,038	$ 79,691	$ 52,545	$ 2,071,715	$ 316,220	$ 2,866,209

Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2022

	Special Revenue Funds					
	Municipal Court Fund	Public Safety Fund	Grant Fund	Economic Development Fund	PEG Fees Fund	Total Nonmajor Governmental Funds
REVENUES:						
Ad Valorem Taxes	$ -	$ -	$ -	$ 1,179,713	$ -	$ 1,179,713
Franchise Fees	-	-	-	-	37,845	37,845
Intergovernmental	-	9,527	12,779	-	-	22,306
Service Fees	-	-	-	32,450	-	32,450
Fines and Forfeitures	57,738	-	-	-	-	57,738
Net Investment Income/(Loss)	(11,373)	(2,596)	(2,087)	(95,066)	(13,440)	(124,562)
Rental Charges	-	-	-	600	-	600
Other	-	-	28,150	2,762	-	30,912
Total Revenues	46,365	6,931	38,842	1,120,459	24,405	1,237,002
EXPENDITURES:						
General Government	-	-	-	-	209,113	209,113
Public Safety	-	7,329	8,177	-	-	15,506
Development Services	-	-	1,487	-	-	1,487
Parks and Recreation	-	-	25,000	-	-	25,000
Municipal Court	4,826	-	-	-	-	4,826
Economic Development	-	-	-	1,328,152	-	1,328,152
Principal Retirement	-	-	-	192,541	-	192,541
Interest and Fiscal Charges	-	-	-	15,698	-	15,698
Total Expenditures	4,826	7,329	34,664	1,536,391	209,113	1,792,323
Excess/(Deficiency) of Revenues over/(under) Expenditures	41,539	(398)	4,178	(415,932)	(184,708)	(555,321)
OTHER FINANCING SOURCES/(USES):						
Transfers In	-	-	-	384,000	-	384,000
Total Other Financing Sources/(Uses)	-	-	-	384,000	-	384,000
Net Change in Fund Balance	41,539	(398)	4,178	(31,932)	(184,708)	(171,321)
Fund Balances at Beginning of Year	230,390	64,362	48,367	2,012,219	402,711	2,758,049
Fund Balances at End of Year	$ 271,929	$ 63,964	$ 52,545	$ 1,980,287	$ 218,003	$ 2,586,728

Municipal Court Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2022

	2022			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	$ 800	$ 800	$ -	$ (800)
Fines and Forfeitures	27,756	27,756	57,738	29,982
Net Investment Income/(Loss)	2,250	2,250	(11,373)	(13,623)
Total Revenues	30,806	30,806	46,365	15,559
EXPENDITURES:				
Salaries and Fringe Benefits	25,151	25,151	2,324	22,827
Supplies	4,000	4,000	-	4,000
Maintenance and Materials	1,000	1,000	-	1,000
Contractual Services	27,500	27,500	2,502	24,998
Total Expenditures	57,651	57,651	4,826	52,825
Net Change in Fund Balance	(26,845)	(26,845)	41,539	68,384
Fund Balance at Beginning of Year	230,390	230,390	230,390	-
Fund Balance at End of Year	$ 203,545	$ 203,545	$ 271,929	$ 68,384

Public Safety Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2022

	2022			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	$ -	$ -	$ 9,527	$ 9,527
Net Investment Income/(Loss)	1,000	1,000	(2,596)	(3,596)
Total Revenues	1,000	1,000	6,931	5,931
EXPENDITURES:				
Supplies	64,149	64,149	-	64,149
Capital Outlay	-	-	7,329	(7,329)
Total Expenditures	64,149	64,149	7,329	56,820
Net Change in Fund Balance	(63,149)	(63,149)	(398)	62,751
Fund Balance at Beginning of Year	64,362	64,362	64,362	-
Fund Balance at End of Year	$ 1,213	$ 1,213	$ 63,964	$ 62,751

Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2022

	2022			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	$ 8,100	$ 8,100	$ 12,779	$ 4,679
Net Investment Income/(Loss)	400	400	(2,087)	(2,487)
Other	-	-	28,150	28,150
Total Revenues	8,500	8,500	38,842	30,342
EXPENDITURES:				
Supplies	-	-	7,414	(7,414)
Contractual Services	13,700	13,700	2,250	11,450
Capital Outlay	-	-	25,000	(25,000)
Total Expenditures	13,700	13,700	34,664	(20,964)
Net Change in Fund Balance	(5,200)	(5,200)	4,178	9,378
Fund Balance at Beginning of Year	48,367	48,367	48,367	-
Fund Balance at End of Year	$ 43,167	$ 43,167	$ 52,545	$ 9,378

Economic Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2022

	2022			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Ad Valorem Taxes	$ 1,153,552	$ 1,153,552	$ 1,179,713	$ 26,161
Service Fees	60,000	60,000	32,450	(27,550)
Net Investment Income/(Loss)	10,000	10,000	(95,066)	(105,066)
Rental Charges	-	-	600	600
Other	-	-	2,762	2,762
Total Revenues	1,223,552	1,223,552	1,120,459	(103,093)
EXPENDITURES:				
Salaries and Fringe Benefits	516,217	516,217	516,409	(192)
Supplies	20,301	20,301	15,843	4,458
Maintenance and Materials	29,602	29,602	20,582	9,020
Contractual Services	1,430,520	1,430,520	761,946	668,574
Capital Replacement	13,372	13,372	13,372	-
Principal Retirement	-	-	192,541	(192,541)
Interest and Fiscal Charges	-	-	15,698	(15,698)
Total Expenditures	2,010,012	2,010,012	1,536,391	473,621
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(786,460)	(786,460)	(415,932)	370,528
Other financing sources (uses)				
Transfers In	384,000	384,000	384,000	-
Total other financing sources (uses)	384,000	384,000	384,000	-
Net Change in Fund Balance	(402,460)	(402,460)	(31,932)	370,528
Fund Balance at Beginning of Year	2,012,219	2,012,219	2,012,219	-
Fund Balance at End of Year	$ 1,609,759	$ 1,609,759	$ 1,980,287	$ 370,528

PEG Fees Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2022

	2022			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Franchise Fees	$ 50,000	$ 50,000	$ 37,845	$ (12,155)
Net Investment Income/(Loss)	1,500	1,500	(13,440)	(14,940)
Total Revenues	51,500	51,500	24,405	(27,095)
EXPENDITURES:				
Maintenance and Materials	-	-	2,002	(2,002)
Capital Outlay	210,000	210,000	207,111	2,889
Total Expenditures	210,000	210,000	209,113	887
Net Change in Fund Balance	(158,500)	(158,500)	(184,708)	(26,208)
Fund Balance at Beginning of Year	402,711	402,711	402,711	-
Fund Balance at End of Year	$ 244,211	$ 244,211	$ 218,003	$ (26,208)

PROPRIETARY FUNDS

Internal Service Funds:
Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units on a cost reimbursement basis.

The **Capital Replacement Fund** is used to account for financial resources set aside annually to replace equipment as its useful life is consumed.

The **Information Technology Replacement Fund** is used to account for financial resources set aside annually to replace technology as its useful life is consumed.

The **Facility Maintenance Fund** is used to account for financial resources set aside annually to repair and improve Town facilities as their useful lives are consumed.

Internal Service Funds
Combining Statement of Net Position
September 30, 2022

	Capital Replacement	Information Technology Replacement	Facility Maintenance	Total
ASSETS:				
Current Assets:				
Pooled Cash and Investments	$ 4,896,407	$ 3,917,258	$ 1,281,527	$ 10,095,192
Interest Receivable	21,643	17,920	4,679	44,242
Total Current Assets	4,918,050	3,935,178	1,286,206	10,139,434
Non-Current Assets:				
Capital Assets:				
Construction in Progress	-	1,097,014	-	1,097,014
Buildings	-	-	6,597	6,597
Machinery and Equipment	8,517,869	4,950,530	-	13,468,399
Accumulated Depreciation	(4,675,830)	(3,766,309)	(132)	(8,442,271)
Total Capital Assets, Net of Accumulated Depreciation	3,842,039	2,281,235	6,465	6,129,739
Total Assets	8,760,089	6,216,413	1,292,671	16,269,173
LIABILITIES:				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	224,275	171,834	14,033	410,142
NET POSITION:				
Net Investment in Capital Assets	3,842,039	2,281,235	6,465	6,129,739
Unrestricted	4,693,775	3,763,344	1,272,173	9,729,292
Total Net Position	$ 8,535,814	$ 6,044,579	$ 1,278,638	$ 15,859,031

Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended September 30, 2022

	Capital Replacement	Information Technology Replacement	Facility Maintenance	Total Internal Service Funds
OPERATING REVENUES:				
Other Income	$ -	$ 4,742	$ -	$ 4,742
Department Contributions	1,215,000	573,963	650,000	2,438,963
Total Operating Revenues	1,215,000	578,705	650,000	2,443,705
OPERATING EXPENSES:				
Maintenance and Materials	-	86,431	336,158	422,589
Total Operating Expenses (Excluding Depreciation)	-	86,431	336,158	422,589
Depreciation	886,252	194,912	132	1,081,296
Total Operating Expenses	886,252	281,343	336,290	1,503,885
OPERATING INCOME	328,748	297,362	313,710	939,820
NON-OPERATING REVENUES/(EXPENSES):				
Net Investment Income/(Loss)	(176,834)	(160,568)	(35,072)	(372,474)
Gain/(Loss) on Disposal of Assets	47,601	-	-	47,601
Total Non-Operating Revenues/(Expenses)	(129,233)	(160,568)	(35,072)	(324,873)
CHANGE IN NET POSITION	199,515	136,794	278,638	614,947
Net Position at Beginning of Year	8,336,299	5,907,785	1,000,000	15,244,084
Net Position at End of Year	$ 8,535,814	$ 6,044,579	$ 1,278,638	$ 15,859,031

Internal Service Funds
Combining Statement of Cash Flows
Year Ended September 30, 2022

	Capital Replacement	Information Technology Replacement	Facility Maintenance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Department Contributions	$ 1,215,000	$ 573,963	$ 650,000	$ 2,438,963
Other Receipts	-	4,742	-	4,742
Payments to Suppliers	-	(86,431)	(322,125)	(408,556)
Net Cash Provided by Operating Activities	1,215,000	492,274	327,875	2,035,149
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(223,799)	(348,883)	(6,597)	(579,279)
Proceeds from Sale of Capital Assets	45,774	-	-	45,774
Net Cash Used by Capital and Related Financing Activities	(178,025)	(348,883)	(6,597)	(533,505)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Cash and Investments	(184,751)	(165,295)	(38,044)	(388,090)
Net Cash Provided/(Used) by Investing Activities	(184,751)	(165,295)	(38,044)	(388,090)
Net Increase/(Decrease) in Cash and Cash Equivalents	852,224	(21,904)	283,234	1,113,554
Cash and Cash Equivalents, October 1	4,044,183	3,939,162	998,293	8,981,638
Cash and Cash Equivalents, September 30	$ 4,896,407	$ 3,917,258	$ 1,281,527	$ 10,095,192
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:				
Operating Income/(Loss)	$ 328,748	$ 297,362	$ 313,710	$ 939,820
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:				
Depreciation	886,252	194,912	132	1,081,296
Change in Assets and Liabilities:				
Increase/(Decrease) in Accounts Payable	-	-	14,033	14,033
Net Cash Provided/(Used) by Operating Activities	$ 1,215,000	$ 492,274	$ 327,875	$ 2,035,149
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital Assets in Accounts Payable	$ 224,275	$ 171,834	$ -	$ 396,109
Net Non-Cash Items from Capital and Related Financing Activities	$ 224,275	$ 171,834	$ -	$ 396,109

STATISTICAL SECTION

(Unaudited)

The Statistical Section presents detailed information to assist in understanding the information in the financial statements, note disclosures, and required supplementary information. It includes five categories of information:

Financial Trends (tables 1-6) – contain trend information to help the reader understand how the government's financial position has changed over time.

Revenue Capacity (tables 7-10) – contain information to help the reader assess the government's ability to generate its own revenues.

Debt Capacity (tables 11-15) – present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information (tables 16-18) – offer demographic and economic indicators to help the reader understand the socioeconomic environment within which the government's financial activities take place.

Operating Information (tables 19-21) – contain employee and capital asset data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in Capital Assets	$ 135,260,723	$ 120,034,622	$ 121,444,364	$ 122,079,968	$ 124,922,785	$ 125,983,819	$ 125,521,642	$ 121,008,111	$ 118,883,370	$ 115,283,708
Restricted for:										
Debt Service	904,422	606,471	555,279	660,955	500,094	310,619	83,524	63,194	661,804	770,005
Promotion of Tourism and Hotel Industry	1,942,378	1,682,165	2,529,271	3,869,581	4,334,037	4,167,549	3,449,095	3,239,356	2,710,600	4,972,399
Child Safety	30,635	101,664	190,635	98,540	86,906	84,284	90,718	110,712	126,062	140,935
Justice Administration	93,472	31,898	63,638	30,952	21,851	23,222	52,722	56,887	33,404	72,179
Court Technology	74,895	79,591	91,942	86,147	74,667	33,370	27,831	27,651	32,421	41,069
Building Security	64,742	65,782	176,512	63,655	53,584	-	-	-	-	-
Court Security	-	19,185	19,190	28,125	46,900	46,844	37,495	32,841	38,503	46,639
Public Safety	-	-	-	-	33,238	84,870	101,240	123,730	112,729	124,490
Other purposes	22,235	-	25,484	33,694	191,575	242,042	303,147	359,096	402,711	218,003
Pensions	-	-	-	-	-	-	-	-	-	6,022,075
Unrestricted	13,969,454	25,658,883	7,051,958	7,031,223	29,561,964	31,164,711	33,180,155	31,791,785	39,204,079	37,432,655
Total Net Position - Governmental Activities	$ 152,362,956	$ 148,280,261	$ 132,148,273	$ 133,982,840	$ 159,827,601	$ 162,141,330	$ 162,847,569	$ 156,813,363	$ 162,205,683	$ 165,124,157
Business-type Activities										
Net Investment in Capital Assets	$ 57,425,620	$ 69,948,582	$ 63,308,088	$ 62,547,252	$ 65,363,662	$ 64,971,096	$ 63,424,919	$ 69,493,275	$ 68,126,836	$ 68,142,152
Restricted for:										
Pensions	-	-	-	-	-	-	-	-	-	349,817
Unrestricted	17,372,627	16,460,850	23,121,874	24,910,364	22,218,951	22,483,060	25,438,188	25,266,288	28,001,455	31,634,802
	$ 74,798,247	$ 86,409,432	$ 86,429,962	$ 87,457,616	$ 87,582,613	$ 87,454,156	$ 88,863,107	$ 94,759,563	$ 96,128,291	$ 100,126,771
Primary Government										
Net Investment in Capital Assets	$ 192,686,343	$ 189,983,204	$ 184,752,452	$ 184,627,220	$ 190,286,447	$ 190,954,915	$ 188,946,561	$ 190,501,386	$ 187,010,206	$ 183,425,860
Restricted for:										
Debt Service	904,422	606,471	555,279	660,955	500,094	310,619	83,524	63,194	661,804	770,005
Promotion of Tourism and Hotel Industry	1,942,378	1,682,165	2,529,271	3,869,581	4,334,037	4,167,549	3,449,095	3,239,356	2,710,600	4,972,399
Child Safety	30,635	101,664	190,635	98,540	86,906	84,284	90,718	110,712	126,062	140,935
Justice Administration	93,472	31,898	63,638	30,952	21,851	23,222	52,722	56,887	33,404	72,179
Court Technology	74,895	79,591	91,942	86,147	74,667	33,370	27,831	27,651	32,421	41,069
Building Security	64,742	65,782	176,512	63,655	53,584	-	-	-	-	-
Court Security	-	19,185	19,190	28,125	46,900	46,844	37,495	32,841	38,503	46,639
Public Safety	-	-	-	-	33,238	84,870	101,240	123,730	112,729	124,490
Other Purposes	22,235	-	25,484	33,694	191,575	242,042	303,147	359,096	402,711	218,003
Pensions	-	-	-	-	-	-	-	-	-	6,371,892
Unrestricted	31,342,081	42,119,733	30,173,832	31,941,587	51,780,915	53,647,771	58,618,343	57,058,073	67,205,534	69,067,457
Total Net Position - Primary Government	$ 227,161,203	$ 234,689,693	$ 218,578,235	$ 221,440,456	$ 247,410,214	$ 249,595,486	$ 251,710,676	$ 251,572,926	$ 258,333,974	$ 265,250,928

SOURCE: Town of Addison Annual Comprehensive Financial Reports

Note: 2016 and prior Public Safety included in Other Purposes. Starting in 2017, Public Safety is separate from Other Purposes.

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	2013	2014	2015	2016
Expenses				
Governmental Activities:				
General Government	$ 7,021,312	$ 7,938,875	$ 8,730,944	$ 10,015,214
Public Safety	15,229,474	15,765,099	16,820,899	17,528,619
Development Services	925,830	932,247	1,032,105	1,278,232
Streets	8,387,857	6,450,628	8,105,373	6,567,732
Parks and Recreation	5,062,784	5,597,254	5,517,049	5,796,136
Visitor Services	7,239,033	7,358,141	6,106,103	7,537,477
Interest on Long-Term Debt	3,054,940	3,037,574	3,018,672	2,417,435
Total Governmental Activities	46,921,230	47,079,818	49,331,145	51,140,845
Business-type Activities:				
Airport	5,188,321	6,027,300	5,893,611	6,454,693
Utilities	9,459,791	10,317,160	10,748,886	10,821,202
Storm Water	234,257	768,016	848,354	2,092,187
Total Business-type Activities	14,882,369	17,112,476	17,490,851	19,368,082
Total Expenses - Primary Government	$ 61,803,599	$ 64,192,294	$ 66,821,996	$ 70,508,927
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	$ 225,731	$ 235,233	$ 688,005	$ 753,062
Public Safety	1,611,320	1,506,770	945,217	1,070,517
Development Services	888,908	904,895	1,015,053	774,364
Streets	384,303	390,453	400,561	375,564
Parks and Recreation	114,866	102,288	82,681	74,719
Visitor Services	2,379,812	2,195,803	1,890,522	3,532,634
Operating Grants and Contributions	73,578	19,093	25,806	27,472
Capital Grants and Contributions	-	-	158,253	148,518
Total Governmental Activities	5,678,518	5,354,535	5,206,098	6,756,850
Business-type Activities:				
Charges for Services:				
Airport	4,505,430	4,857,759	5,138,479	5,387,660
Utilities	10,802,692	9,953,099	9,877,262	10,576,707
Storm Water	1,307,573	1,640,615	1,726,526	1,883,841
Operating Grants and Contributions	-	-	-	129,093
Capital Grants and Contributions	9,331,840	7,660,647	1,025,835	2,130,601
Total Business-type Activities	25,947,535	24,112,120	17,768,102	20,107,902
Total Program Revenues - Primary Government	$ 31,626,053	$ 29,466,655	$ 22,974,200	$ 26,864,752
Net (Expense)/Revenue				
Governmental Activities	$ (41,242,712)	$ (41,725,283)	$ (44,125,047)	$ (44,383,995)
Business-Type Activities	11,065,166	6,999,644	277,251	739,820
Total Net Expense - Primary Government	$ (30,177,546)	$ (34,725,639)	$ (43,847,796)	$ (43,644,175)
General Revenues				
Taxes:				
Property Taxes, Levied for General Purposes	$ 17,975,149	$ 19,484,538	$ 20,385,225	$ 22,593,188
Sales Taxes	13,029,712	14,222,194	14,104,584	13,847,507
Franchise Taxes	3,021,899	2,806,656	2,828,420	3,074,519
Hotel/Motel Taxes	4,575,083	5,011,671	5,510,406	6,132,432
Interest on Investments	133,140	130,419	181,811	316,288
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-
Miscellaneous	461,641	613,432	590,619	581,628
Transfers	-	(4,626,322)	-	-
Total General Revenues and Transfers	39,196,624	37,642,588	43,601,065	46,545,562
Business-type Activities				
Interest on Investments	(71,264)	(22,013)	100,928	151,937
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-
Miscellaneous	(30,525)	7,232	512,888	135,897
Transfers	-	4,626,322	-	-
Total Business-type Activities	(101,789)	4,611,541	613,816	287,834
Change in Net Position				
Governmental Activities	(2,046,088)	(4,082,695)	(523,982)	2,161,567
Business-type Activities	10,963,377	11,611,185	891,067	1,027,654
Total Change in Net Position - Primary Government	$ 8,917,289	$ 7,528,490	$ 367,085	$ 3,189,221

SOURCE: Town of Addison Annual Comprehensive Financial Reports

2017	2018	2019	2020	2021	2022
$ 7,184,325	$ 10,218,620	$ 10,149,540	$ 10,206,304	$ 9,265,244	$ 9,416,452
7,021,636	17,814,777	19,855,190	20,337,267	20,235,377	20,331,699
100,924	1,379,071	3,137,715	3,320,919	3,437,779	3,061,515
6,660,591	7,249,140	7,677,651	8,326,816	7,619,194	10,669,363
4,259,992	6,068,682	6,840,345	6,784,214	6,675,787	7,023,671
6,839,484	7,118,492	6,884,597	4,310,828	5,011,538	5,396,612
1,713,819	2,038,203	1,938,010	2,153,845	2,007,306	2,179,219
33,780,771	51,886,985	56,483,048	55,440,193	54,252,225	58,078,531
6,509,127	6,996,377	6,574,351	6,893,786	6,235,571	6,758,415
10,081,401	12,708,842	12,329,112	12,361,224	13,100,779	14,753,989
1,408,133	820,337	1,427,551	1,361,880	1,065,470	1,060,602
17,998,661	20,525,556	20,331,014	20,616,890	20,401,820	22,573,006
$ 51,779,432	$ 72,412,541	$ 76,814,062	$ 76,057,083	$ 74,654,045	$ 80,651,537
$ 961,336	$ 407,531	$ 763,244	$ 770,105	$ 595,391	$ 802,863
947,071	848,523	916,430	889,868	1,027,810	1,214,031
1,242,223	1,414,425	1,379,721	1,227,095	852,648	1,155,862
391,126	414,493	403,676	505,545	796,446	2,916,935
86,595	82,122	64,453	34,914	74,703	56,442
3,249,506	2,206,293	1,834,700	286,892	1,088,609	1,140,565
51,063	106,322	100,904	634,082	2,934,576	2,243,757
-	121,578	130,000	100	228,952	25,000
6,928,920	5,601,287	5,593,128	4,348,601	7,599,135	9,555,455
5,479,786	6,197,849	6,725,125	5,392,936	5,588,284	7,160,453
10,983,136	12,178,231	11,847,562	12,818,071	13,272,935	15,524,151
2,034,484	2,140,112	2,237,953	2,322,350	2,521,318	2,561,054
50,000	121,226	69,241	207,000	107,000	198,000
148,158	395,372	457,426	1,358,225	120,726	2,054,675
18,695,564	21,032,790	21,337,307	22,098,582	21,610,263	27,498,333
$ 25,624,484	$ 26,634,077	$ 26,930,435	$ 26,447,183	$ 29,209,398	$ 37,053,788
$ (26,851,851)	$ (46,285,698)	$ (50,889,920)	$ (51,091,592)	$ (46,653,090)	$ (48,523,076)
696,903	507,234	1,006,293	1,481,692	1,208,443	4,925,327
$ (26,154,948)	$ (45,778,464)	$ (49,883,627)	$ (49,609,900)	$ (45,444,647)	$ (43,597,749)
$ 23,572,225	$ 23,600,531	$ 25,180,507	$ 27,005,415	$ 29,960,335	$ 30,443,817
15,126,354	17,734,689	16,258,669	15,036,200	16,113,549	17,409,213
2,664,422	2,624,458	2,513,414	2,227,367	1,989,938	2,116,496
5,996,924	5,507,072	5,436,211	3,232,320	2,702,204	4,545,644
472,896	831,714	1,365,659	1,116,915	85,076	(3,607,419)
-	27,311	12,935	21,503	364,018	7,187
3,736,791	292,272	328,764	207,898	774,276	526,612
800,000	500,000	500,000	(3,790,232)	56,014	-
52,369,612	51,118,047	51,596,159	45,057,386	52,045,410	51,441,550
185,046	335,367	833,703	569,513	32,098	(1,094,374)
-	(242,744)	-	24,005	103,818	42,044
43,048	22,102	68,955	31,014	80,383	125,483
(800,000)	(500,000)	(500,000)	3,790,232	(56,014)	-
(571,906)	(385,275)	402,658	4,414,764	160,285	(926,847)
25,517,761	4,832,349	706,239	(6,034,206)	5,392,320	2,918,474
124,997	121,959	1,408,951	5,896,456	1,368,728	3,998,480
$ 25,642,758	$ 4,954,308	$ 2,115,190	$ (137,750)	$ 6,761,048	$ 6,916,954

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable:										
Inventories	$ 44,486	$ 66,933	$ 63,176	$ 41,001	$ 39,550	$ 54,843	$ 34,155	$ 20,946	$ 47,161	$ 41,092
Prepaid Items	291,424	272,713	267,357	84,681	449,442	442,875	470,103	60,668	497,647	636,808
Assigned for Other Purposes	-	-	-	-	-	-	-	-	-	-
Unassigned	13,643,488	15,166,365	11,271,328	12,765,117	15,879,046	20,465,238	20,083,986	20,052,825	19,698,867	19,837,481
Total General Fund	13,979,398	15,506,011	11,601,861	12,890,799	16,368,038	20,962,956	20,588,244	20,134,439	20,243,675	20,515,381
All Other Governmental Funds										
Nonspendable:										
Prepaid Items	-	-	-	50,836	38,669	-	-	-	-	-
Restricted for:										
Debt Service	1,234,727	1,020,159	831,366	541,074	370,527	168,535	17,993	6,335	573,411	652,117
Promotion of Tourism & Hotel Industry	1,942,378	1,682,165	2,529,271	3,861,008	4,331,245	4,122,537	3,449,095	3,149,259	2,710,600	4,641,300
Capital Projects	41,716,425	45,239,484	40,901,630	33,162,293	21,834,283	13,687,452	11,067,329	39,199,567	46,856,016	45,061,870
Child Safety	93,472	101,664	88,479	98,540	86,906	84,284	90,718	110,712	126,062	140,935
Justice Administration	30,635	31,898	28,893	30,952	21,851	23,222	23,829	27,994	33,404	43,286
Court Technology	74,895	79,591	77,831	86,147	74,667	33,370	27,831	27,651	32,421	41,069
Building Security	64,742	65,782	63,789	63,655	53,584	-	-	-	-	-
Court Security	-	19,185	19,190	28,125	46,900	46,844	37,495	32,841	38,503	46,639
Public Safety	-	-	-	30,521	31,059	82,691	95,319	115,696	112,729	116,509
Other Purposes	22,235	-	25,484	327,000	191,575	242,042	303,147	359,096	402,711	218,003
Committed for:										
Capital Projects	-	-	-	-	7,688,169	8,120,427	8,951,963	10,368,778	13,511,945	14,429,924
Economic Development	664,401	477,233	752,819	968,178	1,257,093	1,437,025	1,797,019	1,968,832	2,012,219	1,980,287
Assigned for:										
Other Purposes	-	-	-	-	-	-	-	-	-	-
Unassigned	(6,364)	3,115	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	45,837,546	48,720,276	45,318,752	39,248,329	36,026,528	28,048,429	25,861,738	55,366,761	66,410,021	67,371,939
Total Governmental Funds	$ 59,816,944	$ 64,226,287	$ 56,920,613	$ 52,139,128	$ 52,394,566	$ 49,011,385	$ 46,449,982	$ 75,501,200	$ 86,653,696	$ 87,887,320

SOURCE: Town of Addison Annual Comprehensive Financial Reports

Changes in Fund Balances,
Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	2013	2014	2015	2016
REVENUES:				
Ad Valorem Taxes	$ 18,047,998	$ 19,274,720	$ 20,560,124	$ 22,559,004
Non-Property Taxes	17,604,795	19,444,668	19,728,511	20,181,697
Franchise Fees	2,695,073	2,818,869	2,828,420	3,074,519
Licenses and Permits	886,423	901,645	1,011,223	768,964
Intergovernmental	73,578	19,093	180,612	160,619
Service Fees	2,939,606	2,758,458	2,543,707	4,463,789
Fines and Forfeitures	1,082,115	988,574	764,144	603,282
Earnings on Investments	122,169	143,299	277,680	372,088
Rental Charges	1,119,737	1,119,551	1,201,389	949,956
Recycling Proceeds	25,539	13,295	10,403	2,426
Other	105,803	206,157	199,880	377,608
Total Revenues	44,702,836	47,688,329	49,306,093	53,513,952
EXPENDITURES:				
Current:				
General Government	6,371,055	6,646,587	7,657,465	7,598,584
Public Safety	14,945,841	15,876,424	16,699,726	16,301,539
Development Services	927,684	962,584	1,090,973	1,207,871
Streets	1,750,500	1,727,403	1,803,139	1,791,257
Parks and Recreation	4,316,689	4,874,394	4,755,341	4,912,455
Visitor Services	7,116,334	6,730,501	5,454,910	7,077,371
Municipal Court	53,112	30,878	60,426	17,610
Economic Development	624,014	1,029,585	1,281,649	1,349,920
Debt Service:				
Principal Retirement	4,701,161	5,086,153	5,473,152	5,800,151
Interest and Fiscal Charges	2,747,654	3,110,704	3,417,820	3,089,643
Debt Issuance Costs	-	-	-	-
Capital Projects:				
Salaries and Fringe Benefits	-	-	-	-
Supplies	80,660	-	-	-
Maintenance and Materials	3,946	12,459	-	-
Other	138,236	-	-	-
Engineering and Contractual Services	2,165,061	422,982	5,076,254	62,647
Construction and Equipment	3,742,776	8,241,546	3,840,912	9,086,389
Total Expenditures	49,684,723	54,752,200	56,611,767	58,295,437
Excess/(Deficiency) of Revenues over/(under) Expenditures	(4,981,887)	(7,063,871)	(7,305,674)	(4,781,485)
OTHER FINANCING SOURCES/(USES):				
Proceeds from Refunding Bonds Issued	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Issuance of Debt	7,790,000	12,000,000	-	-
Discount on issuance of bonds	-	-	-	-
Bond Issuance Costs	-	-	-	-
Premium on Issuance of Bonds	292,493	97,299	-	-
Transfers In	578,501	570,000	5,226,082	2,349,124
Transfers Out	(578,501)	(570,000)	(5,226,082)	(2,349,124)
Proceeds on Asset Sales	-	-	-	-
Total Other Financing Sources/(Uses)	8,082,493	12,097,299	-	-
Net Change in Fund Balance	$ 3,100,606	$ 5,033,428	$ (7,305,674)	$ (4,781,485)
Debt Service as a Percentage of Non-Capital Expenditures	17.27%	16.11%	18.38%	18.07%

SOURCE: Town of Addison Annual Comprehensive Financial Reports

2017	2018	2019	2020	2021	2022
$ 23,521,642	$ 23,783,670	$ 25,196,771	$ 26,876,741	$ 29,869,955	$ 30,578,292
21,217,028	23,148,710	21,595,724	18,432,169	18,488,945	21,701,243
2,664,422	2,624,458	2,513,414	2,227,367	1,989,938	2,116,496
1,225,373	1,404,035	1,366,941	1,183,285	824,908	1,120,552
15,565	16,228	193,904	471,145	3,148,053	2,250,134
4,520,358	3,620,748	2,997,653	2,157,047	2,795,244	3,162,551
468,734	358,737	415,721	263,146	197,335	359,142
472,896	831,714	1,365,659	1,116,915	85,076	(3,607,419)
704,701	635,165	566,257	270,001	94,303	124,445
3,258	11,407	616	162	2,471	2,546
391,883	324,961	254,100	306,147	1,078,332	2,477,924
55,205,860	56,759,833	56,466,760	53,304,125	58,574,560	60,285,906
8,057,632	8,381,216	8,923,060	8,946,301	9,203,895	9,510,413
16,945,126	17,919,259	18,708,501	19,215,910	20,669,001	21,487,192
1,158,967	1,374,246	1,350,598	1,501,596	1,560,348	1,644,970
1,942,584	1,895,171	1,777,128	1,799,513	1,951,588	2,047,734
5,020,975	5,054,566	5,520,903	5,407,703	5,695,541	6,108,572
7,595,136	6,780,909	7,313,226	3,622,979	4,634,221	5,177,008
66,616	75,904	53,096	19,400	2,938	4,826
1,747,750	1,475,201	1,553,813	1,647,246	1,839,493	1,328,152
5,618,331	4,909,148	4,280,000	4,105,000	4,985,000	5,889,926
2,810,607	2,631,422	2,475,279	2,915,428	2,725,605	2,952,920
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
416,179	758,687	1,469,752	1,780,857	993,326	3,580,551
7,583,129	9,414,596	6,115,742	6,792,067	9,780,860	20,119,010
58,963,032	60,670,325	59,541,098	57,754,000	64,041,816	79,851,274
(3,757,172)	(3,910,492)	(3,074,338)	(4,449,875)	(5,467,256)	(19,565,368)
-	-	-	-	-	-
-	-	-	(13,090,212)	(4,261,861)	(9,477,585)
-	-	-	43,740,000	19,165,000	28,425,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,829,802	1,352,595	1,844,390
7,624,205	3,618,152	5,686,504	3,992,900	3,844,950	2,225,875
(6,824,205)	(3,118,152)	(5,186,504)	(3,992,900)	(3,844,950)	(2,225,875)
3,212,610	27,311	12,935	21,503	364,018	7,187
4,012,610	527,311	512,935	33,501,093	16,619,752	20,798,992
$ 255,438	$ (3,383,181)	$ (2,561,403)	$ 29,051,218	$ 11,152,496	$ 1,233,624
16.41%	14.71%	12.98%	13.81%	14.37%	14.96%

GENERAL GOVERNMENTAL REVENUES BY SELECTED SOURCES

Last Ten Fiscal Years

Fiscal Year	Taxes	Franchise Fees	Licenses and Permits	Inter-governmental	Service Fees	Fines and Forfeitures	Net Investment Income/(Loss)	Rental Charges	Other (1)	Total
2013	35,652,793	2,695,073	886,423	73,578	2,939,606	1,082,115	122,169	1,119,737	25,539	44,597,033
2014	38,719,388	2,818,869	901,645	19,093	2,758,458	988,574	143,299	1,119,551	13,295	47,482,172
2015	40,288,635	2,828,420	1,011,223	180,612	2,543,707	764,144	277,680	1,201,389	10,403	49,106,213
2016	42,740,701	3,074,519	768,964	160,619	4,463,789	603,282	372,088	949,956	2,426	53,136,344
2017	44,738,670	2,664,422	1,225,373	15,565	4,520,358	468,734	472,896	704,701	3,258	54,813,977
2018	46,932,380	2,624,458	1,404,035	16,228	3,620,748	358,737	831,714	635,165	336,368	56,759,833
2019	46,792,495	2,513,414	1,366,941	193,904	2,997,653	415,721	1,365,659	566,257	254,716	56,466,760
2020	45,308,910	2,227,367	1,183,285	471,145	2,157,047	263,146	1,116,915	270,001	306,309	53,304,125
2021	48,358,900	1,989,938	824,908	3,148,053	2,795,244	197,335	85,076	94,303	1,080,803	58,574,560
2022	52,279,535	2,116,496	1,120,552	2,250,134	3,162,551	359,142	(3,607,419)	124,445	2,480,470	60,285,906

Table includes General, Special Revenue, Capital Project, and Debt Service Funds

Notes: (1) Includes recycling fees and contributions.

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

Last Ten Fiscal Years

Fiscal Year	General Government(2)	Public Safety	Development Services	Streets	Parks and Recreation	Visitor Services(1)	Economic Development	Debt Service	Total
2013	6,371,055	14,998,953	927,684	1,750,500	4,316,689	7,116,334	624,014	7,448,815	43,554,044
2014	6,646,587	15,907,302	962,584	1,727,403	4,874,394	6,730,501	1,029,585	8,196,857	46,075,213
2015	7,657,465	16,760,152	1,090,973	1,803,139	4,755,341	5,454,910	1,281,649	8,890,972	47,694,601
2016	7,598,584	16,319,149	1,207,871	1,791,257	4,912,455	7,077,371	1,349,920	8,889,794	49,146,401
2017	8,057,632	17,011,742	1,158,967	1,942,584	5,020,975	7,595,136	1,747,750	8,428,938	50,963,724
2018	8,457,120	17,919,259	1,374,246	1,895,171	5,054,566	6,780,909	1,475,201	7,540,570	50,497,042
2019	8,976,156	18,708,501	1,350,598	1,777,128	5,520,903	7,313,226	1,553,813	6,755,279	51,955,604
2020	8,965,701	19,215,910	1,501,596	1,799,513	5,407,703	3,622,979	1,647,246	7,020,428	49,181,076
2021	9,206,833	20,669,001	1,560,348	1,951,588	5,695,541	4,634,221	1,839,493	7,710,605	53,267,630
2022	9,515,239	21,487,192	1,644,970	2,047,734	6,108,572	5,177,008	1,328,152	8,842,846	56,151,713

Table includes General, Special Revenue, and Debt Service funds.

Notes:

(1) Hotel Fund

(2) Includes Municipal Court

SUMMARY OF TAX REVENUES AND FRANCHISE FEES
Last Ten Fiscal Years

Fiscal Year	Property Taxes[1]	1% Town Sales Tax	Mixed Beverage Taxes	Franchise Fees	Hotel Occupancy Tax	Total
2013	18,047,998	12,217,439	812,273	2,695,073	4,575,083	38,347,866
2014	19,274,720	13,440,938	994,609	2,818,869	5,009,121	41,538,257
2015	20,560,124	13,038,912	1,176,643	2,828,420	5,512,956	43,117,055
2016	22,559,004	12,831,723	1,211,761	3,074,519	6,138,213	45,815,220
2017	23,521,642	14,032,616	1,229,708	2,664,422	5,954,703	47,403,091
2018	23,783,670	16,449,993	1,146,633	2,624,458	5,552,084	49,556,838
2019	25,196,771	15,017,082	1,151,057	2,513,414	5,427,585	49,305,909
2020	26,876,741	14,302,624	888,599	2,227,367	3,240,946	47,536,277
2021	29,869,955	14,881,277	1,084,108	1,989,938	2,523,560	50,348,838
2022	30,578,292	15,997,283	1,350,605	2,116,496	4,353,355	54,396,031

Table includes General, Special Revenue, Capital Project, and Debt Service funds.

Notes:
(1) Includes penalty and interest.

ASSESSED AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year	Actual Levy Year	Real Property Assessed Value[1]	Personal Property Assessed Value	Less Tax-Exempt Property Assessed Value	Total Taxable Value	Total Direct Tax Rate[2]
2013	2012	2,955,211,640	580,038,950	(400,355,712)	3,134,894,878	0.5800
2014	2013	3,270,235,970	621,418,790	(401,647,062)	3,490,007,698	0.5718
2015	2014	3,538,702,310	685,963,840	(419,085,309)	3,805,580,841	0.5618
2016	2015	3,742,314,940	722,808,570	(428,399,743)	4,036,723,767	0.5792
2017	2016	3,996,508,870	757,661,770	(453,899,085)	4,300,271,555	0.5605
2018	2017	4,179,274,260	730,791,690	(459,532,446)	4,450,533,504	0.5500
2019	2018	4,477,513,780	729,708,210	(481,462,821)	4,725,759,169	0.5500
2020	2019	4,557,534,840	759,254,790	(496,882,188)	4,819,907,442	0.5835
2021	2020	4,438,590,218	718,946,820	(498,128,042)	4,659,408,996	0.6087
2022	2021	4,774,627,130	747,592,040	(544,899,165)	4,977,320,005	0.6147

SOURCE: Dallas Central Appraisal District

Notes:
(1) Assessed value is 100% of estimated market value.
(2) Per $100 of valuation.

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(PER $100 OF ASSESSED VALUE)
Last Ten Fiscal Years

	City Direct Rates[1]			Overlapping Rates[2]					
Fiscal Year	Operating General Rates	General Obligation Debt Service	Total Direct Ad Valorem Rate	Dallas County	Community College District	Dallas ISD	Carrollton/ Farmers Branch ISD	Dallas County Hospital District	Total Ad Valorem Rate
2013	0.3593	0.2207	0.5800	0.2530	0.1194	1.2903	1.3306	0.2710	2.5138
2014	0.3588	0.2130	0.5718	0.2531	0.1247	1.2820	1.3235	0.2760	2.5076
2015	0.3437	0.2181	0.5618	0.2531	0.1248	1.2820	1.3033	0.2860	2.5077
2016	0.3767	0.2024	0.5792	0.2431	0.1237	1.2921	1.2817	0.2860	2.5240
2017	0.3812	0.1793	0.5605	0.2431	0.1229	1.2914	1.3810	0.2794	2.4973
2018	0.3970	0.1530	0.5500	0.2431	0.1242	1.2921	1.3810	0.2794	2.4888
2019	0.4074	0.1426	0.5500	0.2431	0.1240	1.4220	1.3700	0.2794	2.6185
2020	0.4341	0.1494	0.5835	0.2431	0.1240	1.3204	1.2684	0.2695	2.5405
2021	0.4411	0.1676	0.6087	0.2397	0.1240	1.3067	1.2547	0.2661	2.5453
2022	0.4411	0.1736	0.6147	0.2279	0.1235	1.2582	1.2013	0.2550	2.4794

SOURCE: Dallas County Tax Office

Notes:

(1) The Town's operating tax rate may be increased only by a majority vote of the City Council up to the limit prescribed by State law, after which the Town's residents may petition for a vote. Rates for debt service are set based on each year's requirements.

(2) Overlapping rates are those of local and county governments that apply to property owners within the Town of Addison. The Carrollton/Farmers Branch ISD tax rate is excluded from the total Ad Valorem rate because most of the property owners in Addison are within the Dallas ISD geographic boundaries.

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Actual Levy Year	Taxes Levied for the Fiscal Year	Collections Within the Fiscal Year of the Levy		Collections in Subsequent Years (1)	Total Collections to Date	
			Current Tax Collections	Percentage of Levy		Total Tax Collections	Percentage of Levy
2013	2012	18,227,706	17,940,483	98.4%	32,002	17,972,485	98.6%
2014	2013	20,000,565	19,246,998	96.2%	(11,276)	19,235,722	96.2%
2015	2014	21,430,622	20,641,789	96.3%	(125,202)	20,516,587	95.7%
2016	2015	23,445,994	22,584,093	96.3%	(77,086)	22,507,007	96.0%
2017	2016	24,175,503	23,458,172	97.0%	(6,535)	23,451,637	97.0%
2018	2017	24,531,963	23,833,997	97.2%	(115,949)	23,718,048	96.7%
2019	2018	26,050,652	25,281,036	97.0%	(152,247)	25,128,789	96.5%
2020	2019	28,199,326	27,322,025	96.9%	(515,237)	26,806,788	95.1%
2021	2020	30,018,305	30,015,545	100.0%	(145,590)	29,869,955	99.5%
2022	2021	30,630,834	30,800,200	100.6%	(317,055)	30,483,145	99.5%

SOURCE: Dallas County Tax Office

Notes:

(1) Negative amounts represent refunds of taxes to property owners who appealed their values for the current year (or previous years) to the Dallas Central Appraisal District and received lower valuations as a result of the appeal.

RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

	Governmental Activities			Business-type Activities				
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Leases (1)	General Obligation Bonds	Certificates of Obligation	Total Primary Government	Percentage of Personal Income (%)	Per Capita
2013	44,865,727	39,564,153	-	-	20,668,963	105,098,843	16.11	7,594
2014	52,868,244	38,578,326	-	2,145,000	25,322,281	118,913,851	15.71	7,834
2015	48,157,452	37,513,716	-	1,805,000	24,545,293	112,021,461	14.93	7,213
2016	65,165,138	15,642,986	-	8,122,465	17,312,599	106,243,188	14.10	6,810
2017	59,974,766	14,009,287	-	7,663,243	16,305,591	97,952,887	12.89	6,227
2018	56,085,819	12,309,771	-	7,186,019	15,274,984	90,856,593	10.65	5,765
2019	51,888,184	11,604,403	-	6,410,005	28,118,950	98,021,542	11.31	6,123
2020	63,729,611	28,222,499	-	5,615,515	27,095,962	124,663,587	15.55	7,895
2021	75,791,264	26,773,149	720,987	11,834,241	19,445,154	134,564,795	16.15	8,201
2022	90,963,718	25,948,703	501,060	11,279,388	21,134,268	149,827,137	16.41	8,455

SOURCE: Town of Addison Annual Comprehensive Financial Reports.
See Table 16 for personal income and population data.

(1) The Town implemented GASB 87 Leases in the fiscal year ended September 30, 2022. Lease balances are not available before this date.

RATIO OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds[1]	Certificates of Obligation[1]	Less: Amounts Available in Debt Service Fund [2]	Total Outstanding Debt	Percentage of Actual Taxable Value (%)	Per Capita
2013	44,865,727	60,233,116	1,234,727	103,864,116	3.31	7,504.63
2014	55,013,244	63,900,607	1,020,159	117,893,692	3.38	7,766.38
2015	49,962,452	62,059,009	831,367	111,190,094	2.92	7,159.70
2016	73,287,603	32,955,585	541,075	105,702,113	2.62	6,775.78
2017	67,638,009	30,314,878	370,527	97,582,360	2.27	6,203.58
2018	63,271,838	27,584,755	168,535	90,688,058	2.04	5,754.32
2019	57,654,198	39,023,647	17,993	96,659,852	2.05	6,121.59
2020	69,345,126	55,318,461	6,333	124,657,254	2.59	7,894.70
2021	87,625,505	46,218,303	573,411	133,270,397	2.86	8,166.08
2022	102,243,107	47,082,971	652,117	148,673,961	2.99	8,390.18

NOTES: (1) The schedule of general bonded debt includes general obligation debt of both governmental activities and business-type activities, including premiums and discounts of the associated debt.
(2) This is the amount restricted for debt service principal payments at the fund level.

SOURCE: Town of Addison Annual Comprehensive Financial Reports
See Table 8 for taxable values and Table 16 for population data.

DIRECT AND OVERLAPPING DEBT

Year Ended September 30, 2022

Taxing Jurisdiction	Bonded Debt	Percent Applicable[1]	Estimated Share of Overlapping Debt
Carrollton-Farmers Branch ISD	$ 357,200,042	1.56%	$ 5,572,321
Dallas County	116,665,000	1.49%	1,738,309
Dallas County Community College District	166,750,000	1.49%	2,484,575
Dallas County Hospital District	569,352,358	1.49%	8,483,350
Dallas County Schools	16,679,652	1.49%	248,527
Dallas ISD	3,057,052,834	2.95%	90,183,059
Total Overlapping Debt			108,710,141
Town of Addison (Direct Debt)	$ 116,912,421 (2)	100%	116,912,421
Total Direct and Overlapping Debt			$ 225,622,562
Ratio of Overlapping Bonded Debt to 2020 Taxable Assessed Valuation			4.53%
Per Capita Overlapping Bonded Debt			$ 12,733

SOURCE: Municipal Advisory Council of Texas
See Table 8 for taxable values and Table 16 for population data.

Notes:

(1) The percentage of overlapping debt is estimated using taxable assessed property values. Applicable percentages were estimated by determining the assessed valuation of taxable property within both the overlapping taxing body and the Town's boundaries and dividing that shared value by the total taxable assessed value within the overlapping taxing body.

(2) Total bonded debt shown for the Town of Addison excludes self-supporting debt and amount available for repayment in the Debt Service funds. It includes all bonded debt that is secured by ad valorem taxes.

SCHEDULE OF REVENUE BOND COVERAGE
UTILITY FUND
Last Ten Fiscal Years

	Net Revenue Available for Debt Service			Debt Service Requirements[2]			
Fiscal Year	Gross Revenue	Expense[1]	Net Revenue	Principal	Interest	Total	Revenue Bond Coverage[3]
2013	10,743,714	8,052,963	2,690,751	-	-	-	N/A
2014	9,894,247	8,449,185	1,445,062	-	-	-	N/A
2015	10,241,191	9,017,932	1,223,259	-	-	-	N/A
2016	10,688,878	9,116,360	1,572,518	-	-	-	N/A
2017	11,087,788	8,988,724	2,099,064	-	-	-	N/A
2018	12,211,566	11,121,149	1,090,417	-	-	-	N/A
2019	11,939,132	10,729,825	1,209,307	-	-	-	N/A
2020	12,906,145	10,637,638	2,268,507	-	-	-	N/A
2021	13,365,766	11,487,878	1,877,888	-	-	-	N/A
2022	15,632,451	12,638,529	2,993,922	-	-	-	N/A

Notes:
(1) Includes "operating expenses excluding depreciation" and "non-operating expenses excluding interest expense".
(2) Includes principal and interest of revenue bonds only. It does not include the general obligation bonds or combination tax and revenue certificates of obligation reported in the enterprise fund.
(3) Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest. Revenue bonds were retired in fiscal year 2002. Current year debt associated with the Town's Utility (Water and Sewer) Fund is limited to general obligation bonds and combination tax and revenue certificates of obligation. This debt is secured by the Town's property taxes but is supported by Utility Fund net revenues.

SCHEDULE OF COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION COVERAGE
HOTEL FUND
Last Ten Fiscal Years

	Net Revenue Available for Debt Service			Debt Service Requirements			
Fiscal Year	Gross Revenue	Expenditure[1]	Net Revenue	Principal	Interest	Total	Bond Coverage[2]
2013	6,970,189	1,626,644	5,343,545	600,000	104,623	704,623	7.6
2014	7,181,306	1,063,116	6,118,190	625,000	86,650	711,650	8.6
2015	7,512,047	959,140	6,552,907	640,000	70,800	710,800	9.2
2016	9,680,180	1,156,760	8,523,420	660,001	52,050	712,051	12.0
2017	9,307,410	1,211,193	8,096,217	680,000	31,200	711,200	11.4
2018	7,889,706	1,027,977	6,861,729	700,000	10,500	710,500	9.7
2019	7,354,784	956,507	6,398,277	-	-	-	N/A
2020	3,707,143	796,479	2,910,664	-	-	-	N/A
2021	4,579,562	242,198	4,337,364	-	-	-	N/A
2022	7,449,829	229,056	7,220,773	-	-	-	N/A

Notes:

(1) Combination Tax and Revenue Certificates of Obligation bond covenants require only Conference Centre expenditures be considered when calculating bond coverage.

(2) Bond coverage is equal to net revenue available for debt service divided by total principal and interest.

DEMOGRAPHIC AND ECONOMIC STATISTICS
AS OF SEPTEMBER 30
Last Ten Fiscal Years

Fiscal Year	Estimated Population[1]	Assessed Valuations[2]	Personal Income (Thousands)	Per Capita Personal Income[3]	Labor Force[4]	Unemployment Rate[5]
2013	13,840	3,134,894,878	652,418	47,140	3,467,275	5.9%
2014	15,180	3,490,007,698	756,981	49,867	3,530,240	4.8%
2015	15,530	3,805,580,841	750,379	48,318	3,583,846	3.9%
2016	15,600	4,036,723,767	753,761	48,318	3,703,129	3.9%
2017	15,730	4,300,271,555	760,042	48,318	3,778,245	3.3%
2018	15,760	4,450,533,504	852,821	54,113	3,850,735	3.4%
2019	15,790	4,725,759,169	854,444	54,113	3,927,439	3.2%
2020	15,790	4,819,907,442	801,927	50,787	3,953,748	6.1%
2021	16,320	4,659,408,996	828,844	50,787	4,095,480	5.4%
2022	17,720	4,977,320,005	912,793	51,512	4,254,750	3.5%

SOURCES:

(1) North Central Texas Council of Governments estimates

(2) Dallas Central Appraisal District

(3) United States Census American Community Survey; figures are based on the most current data available.

(4) Texas Workforce Commission - Effective January 2005, data for cities of less than 25,000 was no longer provided. The information presented represents the Dallas, Fort Worth, Arlington Metro Area.

(5) Texas Workforce Commission - Effective January 2005, data for cities of less than 25,000 was no longer provided. The information presented represents the City of Farmers Branch, a neighboring city.

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Name of Taxpayer	Nature of Property	2022 Taxable Assessed Valuation	2022 Rank	2022 Percent of Total Taxable Assessed Valuation	2013 Taxable Assessed Valuation	2013 Rank	2013 Percent of Total Taxable Assessed Valuation
Post Apartment Homes LP	Apartments	$ 246,000,000	1	4.94%			
FPG Colonnade LP	Land, Office Buildings	236,890,300	2	4.76%	186,204,000	2	5.94%
SAVOYE2 LLC	Apartments	139,185,000	3	2.80%			
DCO Realty Inc	Land, Office Buildings	110,119,410	4	2.21%	206,092,200	1	6.57%
Mary Kay Inc	Office Buildings	102,444,400	5	2.06%			
VOP Partners LLC	Office Buildings	92,500,000	6	1.86%			
VPDEV 1 LLC	Apartments	92,277,200	7	1.85%			
Fiori LLC	Land, Hotel	92,165,000	8	1.85%			
COP Spectrum Center LLC	Office Buildings	88,023,250	9	1.77%	59,100,000	5	1.89%
GS Addison Circle LLC	Apartments	83,000,000	10	1.67%			
Post Properties Inc	Mixed Development				141,335,800	3	4.51%
Real Pink Limited	Office Buildings				68,295,710	4	2.18%
SIR Properties Trust	Land, Office Buildings				58,200,000	6	1.86%
KBS Millennium 1	Land, Office Buildings				54,910,500	7	1.75%
MHSS-Addison LP	Land, Office Buildings				51,636,170	8	1.65%
Behringer Harvard Addison Cir	Office Buildings				51,473,950	9	1.64%
Fairfield Addison Circle	Land, Office Buildings				47,610,000	10	1.52%
		$ 1,282,604,560		25.77%	$ 924,858,330		29.51%

SOURCE: Dallas County Tax Office (2022); Town of Addison ACFR (2013)

MAJOR EMPLOYERS

Current Year and Nine Years Ago

Company	Type of Business	2022 Estimated Number of Employees	2022 Percent of Total Employees [1]	2013 Estimated Number of Employees	2013 Percent of Total Employees
Mary Kay Cosmetics	Cosmetics	1,200	8.52%	1,200	1.71%
Bank of America	Finance	1,200	8.52%	3,400	4.86%
Homeward Residential Inc	Finance	750	5.32%	600	0.86%
Regus Texas	Real Estate	590	4.19%		N/A
Barrett Daffin Frappier Turner	Attorney Firm	550	3.90%		N/A
Expense Reduction Analysts	Consulting Service	501	3.56%		N/A
Maxim Integrated Products	Manufacturing	500	3.55%		N/A
Intercontinental Hotel Dallas	Hospitality	450	3.19%	450	0.64%
National Bankruptcy Services	Bankruptcy Service	450	3.19%		N/A
Zurich American Insurance Co.	Insurance	400	2.84%	300	0.43%
Rexel	Supplies	N/A		500	0.71%
National Default Exchange Management	Bankruptcy Service	N/A		500	0.71%
Hitachi Consulting	IT Consulting	N/A		400	0.57%
United Surgical Partners International	Medical	N/A		379	0.54%
USAA	Insurance	N/A		374	0.53%
Hilton Worldwide, Incorporated	Hospitality	N/A		319	0.46%

Total employees per NCTCOG Regional Data Center employees in Addison[1]

SOURCE: North Central Texas Council of Governments (2022); Town of Addison ACFR (2013)

BUDGETED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
City Manager's Office	6.0	7.0	8.0	7.5	6.5	6.5	7.5	7.5	6.9	6.5
Financial and Strategic Services	8.0	7.5	9.7	13.0	13.0	13.0	13.0	13.0	11.8	11.0
Municipal Court	5.4	5.7	5.7	5.8	5.8	5.8	5.0	5.0	5.0	5.0
General Services	5.0	5.0	5.0	5.0	4.8	4.8	5.5	5.5	5.5	5.5
Human Resources	4.2	4.2	3.5	4.0	4.0	4.0	4.0	4.0	3.4	3.0
Information Technology	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Total General Government	35.6	36.4	38.9	42.3	41.1	41.1	42.0	42.0	39.6	38.0
Public Safety										
Police	73.8	75.3	79.8	79.8	71.0	71.0	72.0	74.0	74.0	74.0
Emergency Communications	13.5	13.5	13.5	14.5	-	-	-	-	-	-
Fire	52.0	55.3	55.3	55.3	56.0	57.0	57.0	58.0	58.0	58.0
Total Public Safety	139.3	144.1	148.6	149.6	127.0	128.0	129.0	132.0	132.0	132.0
Development Services	7.2	7.2	7.2	7.2	11.0	11.0	12.0	13.0	13.1	14.1
Economic Development	2.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Public Works										
Streets	5.0	5.0	5.4	5.4	6.4	6.4	7.4	7.4	7.4	6.4
Stormwater		1.4	1.7	1.7	2.0	2.0	4.0	4.0	4.0	5.0
Utilities	18.0	18.3	16.6	17.6	19.2	19.2	22.2	25.2	27.4	28.2
Total Public Works	23.0	24.7	23.7	24.7	27.6	27.6	33.6	36.6	38.8	39.6
Parks and Recreation										
Parks	21.0	21.0	21.0	22.0	22.0	22.0	21.0	25.0	25.0	25.0
Recreation	14.6	14.6	15.1	15.1	15.7	15.7	15.7	15.7	15.7	15.7
Total Parks and Recreation	35.6	35.6	36.1	37.1	37.7	37.7	36.7	40.7	40.7	40.7
Visitor Services										
Visitor Services	3.0	3.0	-	-	-	-	-	-	-	-
Conference Centre & Theatre	7.0	8.7	8.5	9.5	9.5	9.5	9.5	9.5	1.5	1.5
Special Events	3.5	4.0	4.3	4.3	4.2	4.2	4.5	4.5	4.5	4.5
Marketing	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0
General Hotel Operations	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Performing Arts	-	-	-	-	-	-	-	-		
Total Visitor Services	14.5	16.7	14.8	15.8	16.7	16.7	17.0	17.0	9.0	9.0
Airport Fund	3.0	3.0	3.0	3.0	3.4	3.4	4.4	4.4	19.6	20.4
Capital Improvements Program	-	-	-	-	-	-	-	-	3.0	3.0
TOTAL	260.2	270.7	276.3	283.7	268.5	269.5	278.7	289.7	299.8	300.8

SOURCE: Town of Addison Finance Department

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Crimes Against Property (1)	942	768	728	835	804	866	846	1,278	1,588	1,656
Crimes Against Persons (1)	393	358	55	97	106	61	91	414	514	521
Arrests	2,548	2,006	1,712	1,679	1,702	1,706	1,567	1,060	1,135	1,319
Calls for Service	16,463	16,624	17,181	20,700	17,163	17,092	17,298	16,190	19,009	20,313
Fire										
Number of Fires	61	63	51	39	42	60	45	35	55	102
Dollar Loss	$ 1,166,345	$ 1,268,010	$ 608,900	$ 686,920	$ 1,394,390	$ 3,324,215	$ 3,422,870	$ 277,360	$ 10,905,801	$ 897,952
Calls for Service - Fire	896	989	996	865	652	823	802	1,132	1,882	1,238
Calls for Service - EMS	1,696	1,598	1,730	1,765	1,683	1,608	1,726	2,181	2,312	2,636
Streets										
Tons of Recycling Collected	360	387	323	390	419	463	418	429	381	437
Parks										
Acres Maintained	163	163	163	163	163	163	163	163	163	163
Recreation										
Recreation Event Participants	22,632	21,392	21,392	22,462	26,401	24,640	26,561	9,962	5,373	36,749
Number of Users	128,722	122,656	122,656	122,111	126,287	123,961	126,228	76,016	72,074	72,481
Active Athletic Club Members	3,669	3,942	3,942	3,665	3,815	3,949	4,135	3,517	3,251	3,352
Utilities										
Water Usage - Peak (2)	8,979	10,042	11,093	8,846	7,652	8,803	8,073	8,983	9,298	10,698
Water Usage - Average (2)	4,829	4,577	4,682	4,628	4,672	4,895	4,478	4,477	5,367	5,418
Service Line Breaks	11	16	8	4	10	12	6	3	8	9
Water Main Breaks	5	7	4	2	7	4	4	1	3	1

(1) Reporting structure changed in FY2020
(2) In thousands of gallons

SOURCE: Town of Addison Department Data

Notes:
(1) In thousands of gallons

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Streets - Paved (miles)	41	41	41	43	43	43	43	43	43	43
Lane Miles	164	164	164	167	167	167	167	167	167	167
Traffic Signals	36	36	36	36	36	37	37	37	37	37
Parks and Recreation										
Acres Maintained	163	163	163	163	163	163	163	163	163	163
Parks	15	15	15	14	14	14	14	14	14	14
Playgrounds	5	5	5	3	3	3	3	3	3	3
Soccer/Football Fields	1	1	1	-	-	-	-	-	-	-
Community Centers	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (Miles)	80	80	80	80	96	96	96	96	97	97
Fire Hydrants	1,038	1,038	1,038	1,052	1,052	1,052	1,076	1,090	1,090	1,090
Wastewater										
Miles of Sanitary Sewers	66	66	66	66	75	75	72	72	73	73
Stormwater										
Miles of Storm Sewers	60	60	60	76	76	76	76	76	76	76

SOURCE: Town of Addison Department Data

Town of Addison, Texas



Single Audit Reports

September 30, 2022

Town of Addison, Texas
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Town of Addison, Texas
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Transportation				
Passed through from Texas Department of Transportation:				
COVID-19 – Airport Improvement Program	20.106	22CVADDSN	$ -	$ 148,000
Total U.S. Department of Transportation			**-**	**148,000**
U.S. Department of Treasury				
Direct Program:				
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027		-	2,022,836
Total U.S. Department of Treasury			**-**	**2,022,836**
U.S. Department of Health and Human Services				
Passed through from Association of Food & Drug Officials:				
Food and Drug Administration Research	93.103	G-SP-1810-06270	-	1,488
Total U.S. Department of Health and Human Services			**-**	**1,488**
Total Federal Awards Expended			**$ -**	**$ 2,172,324**

The accompanying notes are an integral part of this Schedule.

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Town of Addison, Texas (Town) under programs of the federal government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the Town.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3: Indirect Cost Rate

The Town has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: Federal Loan Programs

The Town did not have any federal loan programs during the year ended September 30, 2022.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

The Honorable Mayor
Members of the Town Council
Town of Addison, Texas
Addison, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Addison, Texas (Town), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated February 2, 2023, which contained an emphasis of matter paragraph regarding a change in accounting principle.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS, LLP

Dallas, Texas
February 2, 2023

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Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

The Honorable Mayor,
Members of the Town Council
Town of Addison, Texas
Addison, Texas

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Town of Addison, Texas' (Town) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Town's major federal program for the year ended September 30, 2022.The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Addison, Texas, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated February 2, 2023 which contained unmodified opinions on those financial statements and an emphasis of matter paragraph regarding a change in accounting principle. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

FORVIS, LLP

Dallas, Texas
February 2, 2023

Town of Addison, Texas
Schedule of Findings and Questioned Costs
Year Ended September 30, 2022

Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

   Material weakness(es) identified? ☐ Yes ☒ No

3. Noncompliance material to the financial statements noted?

   ☐ Yes ☒ No

Federal Awards

4. Internal control over the major federal awards program:

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

   Material weakness(es) identified? ☐ Yes ☒ No

5. Type of auditor's report issued on compliance for the major federal program:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)?

   ☐ Yes ☒ No

7. Identification of the major federal program:

Cluster/Program	Assistance Listing Number
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027

8. Dollar threshold used to distinguish between Type A and Type B programs: $750,000.

9. Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

Section II – Financial Statement Findings

Reference Number	Finding

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding

No matters are reportable.

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The Honorable Mayor and
Members of the Town Council
Town of Addison, Texas
Addison, Texas

As part of our audits of the financial statements and compliance of Town of Addison, Texas (Town) as of and for the year ended September 30, 2022, we wish to communicate the following to you.

AUDIT SCOPE AND RESULTS

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America and the Standards Applicable to Financial Audits Contained in *Government Auditing Standards* Issued by the Comptroller General of the United States and U.S. Office of Management and Budget (OMB) Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)

An audit performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and U.S. Office of Management and Budget (OMB) Uniform Guidance is designed to obtain reasonable, rather than absolute, assurance about the financial statements and about whether noncompliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on a major federal program occurred. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our contract more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement and compliance audits that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

Audits of the financial statements and compliance do not relieve management or those charged with governance of their responsibilities. Our contract more specifically describes your responsibilities.

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

The Entity's significant accounting policies are described in *Note 1* of the audited financial statements.

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GASB 87, Leases

Effective October 1, 2021, the Entity adopted GASB 87, *Leases*. GASB 87 creates one model for recognizing leases for both lessees and lessors. Substantially all leases are recognized on the lessees' statement of net position. In the activity statement, lessees no longer report rent expense for the previously classified operating leases but instead report interest expense on the liability and amortization expense related to the asset. Lessors recognize a lease receivable and corresponding deferred inflow of resources. Interest income associated with the receivable are recognized using the effective interest method.

Adoption of GASB 87 required significant time to identify a complete list of lease contracts for consideration of adoption and measure the lease assets and liabilities for recognition. In addition, due to adoption of the standard, the Entity's key performance indicators related to the statement of net position (such as the current ratio) are likely not comparable to historical results.

Alternative Accounting Treatments

No matters are reportable.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Allowance for doubtful accounts (related to ambulance, property tax, unbilled utility, etc.)
- Compensated absences
- Other post-employment benefit liability and related deferred outflows/inflows of resources
- Net pension asset and related deferred outflows/inflows of resources
- Key estimates related to leases – lease discount rate, lease term, and lease payments
- Depreciation

Significant Unusual Transactions

No matters are reportable.

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Net pension asset
- Other post-employment benefits liability
- Leases

Audit Adjustments

No matters are reportable.

Significant Issues Discussed with Management

During the Audit Process

During the audit process, the following was discussed with management:

- Implementation of GASB 87, *Leases*

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter *(attached)*
- We orally communicated to management other deficiencies in internal control identified during our audit that are not considered material weaknesses or significant deficiencies.

OTHER MATTERS

We observed the following matters and offer these comments and suggestions with respect to matters which came to our attention during the course of the audit of the financial statements. We can discuss these matters further at your convenience and may provide implementation assistance as necessary.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94)

This statement provides uniform guidance on accounting and financial reporting for public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use an infrastructure or other nonfinancial asset (the underlying PPP asset) for a period of time in an exchange or exchange-like transaction. Statement 94 also addresses APAs, which are arrangements where a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying infrastructure or other nonfinancial asset for a period of time in an exchange or exchange-like transaction. This statement requires governments to report assets and liabilities related to PPPs consistently and disclose information about PPP transactions.

The requirements of this Statement are effective for the Entity's fiscal year 2023, and all reporting periods thereafter. The changes would be applied retrospectively, if practicable, for all prior fiscal years presented. PPPs would be recognized and measured using the facts and circumstances that exist at the beginning of the implementation period or, if applicable to earlier periods, the beginning of the earliest period restated. In the year of adoption, the financial statement notes should disclose the nature of the restatement and its effect or the reason for not restating prior years presented.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96)

This Statement addresses the accounting for the costs related to cloud computing agreements. The standard defines a subscription-based information technology arrangements (SBITA), establishes that a SBITA would result in a right-to-use (RTU) asset and a corresponding liability, provides capitalization criteria, and requires new note disclosures. The statement's language and concepts closely mirror the lease guidance provided in Statement 87, *Leases*. This statement requires governments report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

The requirements of this Statement are effective for the Entity's fiscal year 2023, and all reporting periods thereafter. The changes should be applied retroactively by restating financial statements, if practicable, for all prior fiscal years presented. If restatement is not practicable, the cumulative effect, if any, should be reported as a restatement of beginning net position for the earliest fiscal year restated.

In the first fiscal year the amendments are applied, note disclosure is required for the nature of the restatement and its effect, as well as the reason for not restating prior fiscal years presented, if applicable. SBITA assets and liabilities should be recognized and measured using the facts and circumstances at the beginning of the fiscal year of implementation. If applied to earlier fiscal years, those assets and liabilities should be recognized and measured using the facts and circumstances at the beginning of the earliest fiscal year restated. Governments are permitted—but not required—to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation.

GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100)

GASB 100 updates accounting and financial reporting requirements for accounting changes and error corrections to address current diversity in practice by amending GASB Statement No. 62. It defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. GASB 100 clarifies that a change to or within the financial reporting entity results from: the addition or removal of a fund that results from movement of continuing operations within the primary government, including its blended component units; change in fund presentation as major or nonmajor; generally, the addition or removal of a component unit to or from the financial reporting entity; or a change in the presentation (blended or discretely presented) of a component unit. For each type of accounting change and error correction, GASB 100 addresses accounting and reporting requirements, display, including display in the financial statements, note disclosures, and impact on required supplementary information (RSI) and supplementary information (SI).

The requirements of GASB 100 are effective for accounting changes and error corrections made in the Entity's fiscal year 2024, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 101, Compensated Absences (GASB 101)

GASB 101 updates the recognition and measurement guidance for compensated absences under a unified model. It defines compensated absences and requires that liabilities be recognized in financial statements prepared using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled. A liability for compensated absences should be accounted for and reported on a basis consistent with governmental fund accounting principles for financial statements prepared using the current financial resources measurement focus. GASB 101 amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

The requirements of GASB 101 are effective for the Entity's fiscal year 2025, and all reporting periods thereafter. Earlier application is encouraged. The changes adopted at transition to conform to the provisions of GASB 101, should be reported as a change in accounting principle in accordance with Statement No. 100, *Accounting Changes and Error Corrections*, including the related display and disclosure requirements.

Meeting the Increasing Challenges of Cybersecurity

The increasing value of electronic protected health information (ePHI), payment card data and intellectual property (e.g. trade secrets) is driving more organizations of all sizes to prepare for the potential of a cyberattack. Hackers and cyber-thieves have become adept at pilfering confidential information, using ransomware to extort money, and leveraging social engineering techniques to trick employees into wiring funds.

As a first step to improving their cyber-readiness, entities need to perform a cybersecurity risk assessment to determine the current state of cybersecurity processes, controls, and technology. This effort can determine how well the entity can prevent, detect, and respond to cyber-attacks.

Key to the assessment process is choosing an appropriate framework against which the entity may be evaluated. In fact, two nationally recognized organizations have developed cybersecurity frameworks.

The National Institute of Standards and Technology (NIST) has developed a Cybersecurity Framework to assist organizations manage cybersecurity-related risk more effectively.

The NIST Cybersecurity Framework provides a prioritized, flexible, repeatable, and a cost-effective approach that can be used in any industry or organization.

For organizations that store, process or transmit ePHI, there is an additional industry-specific framework. The Health Information Trust (HITRUST) Alliance—in collaboration with health care and information security professionals—has developed the HITRUST Common Security Framework (CSF). The CSF rationalizes relevant health care regulations and standards into a single overarching security framework.

This communication is intended solely for the information and use of management, the Town Council, and others within the Town and is not intended to be, and should not be, used by anyone other than these specified parties.

FORVIS, LLP

February 2, 2023

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Representation of:
Town of Addison, Texas
P.O. Box 9010
Addison, Texas 75001

Provided to:
FORVIS, LLP
Certified Public Accountants
14241 Dallas Parkway, Suite 1100
Dallas, Texas 75254

The undersigned ("We") are providing this letter in connection with FORVIS' audit of our financial statements as of and for the year ended September 30, 2022 and your audit of our compliance with requirements applicable to the major federal awards program as of and for the year ended September 30, 2022.

Our representations are current and effective as of the date of FORVIS' report: February 2, 2023.

Our engagement with FORVIS is based on our contract for services dated: August 3, 2022.

Our Responsibility and Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the financial statements subject to FORVIS' report in conformity with accounting principles generally accepted in the United States of America.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

Confirmation of Matters Specific to the Subject Matter of FORVIS' Report

We confirm, to the best of our knowledge and belief, the following:

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.

2. We acknowledge our responsibility for the design, implementation, and maintenance of:

    a. Internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

    b. Internal control to prevent and detect fraud.

3. We have everything we need to keep our books and records.

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4. We have provided you with:

    a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.

    b. Additional information that you have requested from us for the purpose of the audit.

    c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

    d. All minutes of meetings of the Town Council held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the governing body, if applicable, and maintained as part of our records.

    e. All significant contracts and grants.

5. All transactions have been recorded in the accounting records and are reflected in the financial statements.

6. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:

    a. Misappropriation of assets.

    b. Misrepresented or misstated assets, deferred outflows of resources, liabilities, deferred inflows of resources, or net position/fund balance.

7. We have no knowledge of any known or suspected fraudulent financial reporting or misappropriation of assets involving:

    a. Management or employees who have significant roles in internal control, or

    b. Others, where activities of others could have a material effect on the financial statements.

8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, customers, regulators, suppliers, citizens, or others.

9. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

10. We have disclosed to you the identity of all of the entity's related parties and all the related-party relationships of which we are aware. The entity has not entered into any new agreements with a related party or modified terms related to an existing related-party transaction during the year under audit, or as of the date of this letter. Further, we do not have any existing or ongoing agreements with related parties that are still in effect as of the date of this letter.

    We understand that the term related party refers to an affiliate, management and members of their immediate families, component units, and any other party with which the entity may deal if the entity can significantly influence, or be influenced by, the management or operating policies of the other. The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

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11. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

12. We are not aware of any side agreements or other arrangements (either written or oral) that are in place.

13. Except as reflected in the financial statements, there are no:

    a. Plans or intentions that may materially affect carrying values or classifications of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position/fund balance.

    b. Material transactions omitted or improperly recorded in the financial records.

    c. Material gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.

    d. Events occurring subsequent to the statement of net position/balance sheet date through the date of this letter requiring adjustment or disclosure in the financial statements.

    e. Agreements to purchase assets previously sold.

    f. Restrictions on cash balances or compensating balance agreements.

    g. Guarantees, whether written or oral, under which the entity is contingently liable.

    h. Known or suspected asset retirement obligations.

14. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

15. We have no reason to believe the entity owes any penalties or payments under the Employer Shared Responsibility Provisions of the *Patient Protection and Affordable Care Act* nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.

16. We are not aware of any pending or threatened litigation or claims whose effects should be considered when preparing the financial statements. We have not sought or received attorney's services related to pending or threatened litigation or claims during or subsequent to the audit period. Also, we are not aware of any litigation or claims, pending or threatened, for which legal counsel should be sought.

17. Adequate provisions and allowances have been accrued for any material losses from:

    a. Uncollectible receivables.

    b. Sales/service commitments, including those unable to be fulfilled.

    c. Purchase commitments in excess of normal requirements or above prevailing market prices.

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18. Except as disclosed in the financial statements, the entity has:

    a. Satisfactory title to all recorded assets, and they are not subject to any liens, pledges, or other encumbrances.

    b. Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.

19. The financial statements disclose all significant estimates and material concentrations known to us. Significant estimates are estimates at the statement of net position/balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur that would significantly disrupt normal finances within the next year. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

20. The fair values of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto are reasonable estimates based on the methods and assumptions used. The methods and significant assumptions used result in measurements of fair value appropriate for financial statement recognition and disclosure purposes and have been applied consistently from period to period, taking into account any changes in circumstances. The significant assumptions appropriately reflect market participant assumptions.

21. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.

22. With respect to any nonattest services you have provided us during the year, including assistance with formatting, printing, and binding of the financial statements and assistance with preparation of the draft schedule of expenditures of federal awards and related notes and completing the auditee portion of the Form SF-SAC (Data Collection Form) through the Federal Audit Clearinghouse:

    a. We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.

    b. We have established and monitored the performance of the nonattest services to ensure they meet our objectives.

    c. We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.

    d. We have evaluated the adequacy of the services performed and any findings that resulted.

    e. We have received the deliverables from you and have stored these deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

23. We have notified you of any instances of noncompliance with applicable disclosure requirements of the SEC Rule 15c2-12 and applicable state laws.

24. With regard to deposit and investment activities:

    a. All deposit and investment transactions have been made in accordance with legal and contractual requirements.

    b. Investments are properly valued.

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c. Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.

d. We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.

25. The financial statements include joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

26. We have identified and evaluated all potential fiduciary activities. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended.

27. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.

28. All funds that meet the quantitative criteria in in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as amended*, and No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus—an amendment of GASB Statements No. 21 and No. 34*, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

29. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

30. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

31. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

32. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

33. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance is available and have determined that net position is properly recognized under the policy.

34. We have appropriately disclosed that the entity is following either its established accounting policy regarding which governmental fund resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or is following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes and have determined that fund balance is properly recognized under the policy.

35. With regard to pension and other postemployment benefit (OPEB) activities:

a. We believe that the actuarial assumptions and methods used to measure net pension asset and total OPEB liability and costs for financial accounting purposes are appropriate in the circumstances.

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b. We have provided you with the entity's most current pension and OPEB plan instrument for the audit period, including all plan amendments.

c. The participant data provided to you related to pension and OPEB plans are true copies of the data submitted or electronically transmitted to the plan's actuary.

d. The participant data that we provided the plan's actuary for the purposes of determining the actuarial present value of accumulated plan benefits and other actuarially determined amounts in the financial statements were complete.

36. We have identified and evaluated all potential tax abatements. We believe there are no material tax abatements other than those that have been disclosed in the notes to the financial statements.

37. The entity's ability to continue as a going concern was evaluated and that appropriate disclosures are made in the financial statements as necessary under GASB requirements.

38. As an entity subject to *Government Auditing Standards*:

a. We acknowledge that we are responsible for compliance with applicable laws, regulations, and provisions of contracts and grant agreements.

b. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.

c. We have identified and disclosed to you any violations or possible violations of laws, regulations, and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.

d. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts, or violations of provisions of contracts or grant agreements that you or other auditors report.

e. We have a process to track the status of audit findings and recommendations.

f. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other studies.

39. With regard to federal awards programs:

a. We have identified in the schedule of expenditures of federal awards all assistance provided (either directly or passed through other entities) by federal agencies in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, commodities, insurance, direct appropriations, or in any other form.

b. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

c. We have reconciled the schedule of expenditures of federal awards (SEFA) to the financial statements.

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d. Federal awards-related revenues and expenditures are fairly presented, both in form and content, in accordance with the applicable criteria in the entity's financial statements.

e. We have evaluated all recipient organizations that received federal funding and have determined the Town does not have any subrecipients.

f. We have identified the types of compliance requirements described in the *U.S. Office of Management and Budget* (OMB) *Compliance Supplement* regarding activities allowed or unallowed; allowable costs/cost principles; cash management; eligibility; equipment and real property management; matching, level of effort, earmarking; period of performance of federal funds; procurement and suspension and debarment; program income; reporting; subrecipient monitoring; and special tests and provisions that are applicable to each of our federal awards programs. We have identified to you our interpretation of any applicable compliance requirements subject to varying interpretations.

g. We are responsible for complying, and have complied, with the requirements of Uniform Guidance.

h. We are responsible to understand and comply with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal awards programs and have disclosed to you any and all instances of noncompliance with those requirements occurring during the period of your audit or subsequent thereto to the date of this letter of which we are aware. Except for any instances of noncompliance we have disclosed to you, we believe the entity has complied with all applicable compliance requirements.

i. We are responsible for the design, implementation, and maintenance of internal controls over compliance that provide reasonable assurance we have administered each of our federal awards programs in compliance with federal statutes, regulations, and the terms and conditions of the federal awards.

j. We have made available to you all federal awards (including amendments, if any) and any other correspondence or documentation relevant to each of our federal awards programs and to our compliance with applicable requirements of those programs.

k. The information presented in federal awards program financial reports and claims for advances and reimbursements is supported by the books and records from which our financial statements have been prepared.

l. The costs charged to federal awards are in accordance with applicable cost principles.

m. The reports provided to you related to federal awards programs are true copies of reports submitted or electronically transmitted to the federal awarding agency, the applicable payment system or pass-through entity in the case of a subrecipient.

n. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the applicable compliance requirements for each of our federal awards programs, including any communications received from the end of the period of your audit through the date of this letter.

o. We have identified to you any previous compliance audits, attestation engagements, and internal or external monitoring related to the objectives of your compliance audit, including findings received and corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other monitoring.

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p. The reporting package does not contain any protected personally identifiable information.

q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the period covered by the auditor's report.

40. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis, pension, and other postemployment benefit information, has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions, and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.

41. With regard to supplementary information:

    a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.

    b. We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.

    c. The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period.

    d. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.

    e. If the supplementary information is not presented with the audited financial statements, we acknowledge we will make the audited financial statements readily available to intended users of the supplementary information no later than the date such information and the related auditor's report are issued.

42. With regard to other information that is presented in the form of our annual report:

    a. We confirm that the annual comprehensive financial report (ACFR) comprises the annual report for the Town.

    b. We have provided you with the final draft of the ACFR.

    c. We have exercised due care in the preparation of the introductory and statistical sections included in our ACFR and are not aware of any information contained therein that is inconsistent with the information contained in our basic financial statements.

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43. In connection with the adoption of GASB Statement No. 87, Leases, (GASB 87), we represent the following:

    a. We have identified a complete population of potential leases as of the implementation date.

    b. We have reviewed all significant contracts to identify lease and nonlease components as of the earliest date of adoption. Allocation of contract prices between lease and nonlease components are based upon standalone prices or other reasonable factors.
    c. Measurements of the lease assets and liabilities are based upon facts and circumstances that existed at the beginning of the period of implementation.

    d. The estimates related to any options to extend or terminate the lease terms within the measurement of lease assets and liabilities agree to management's plans for the leases.

    e. The discount rates for each lease are based upon what would be obtained by the entity for similar loans as an incremental rate.

    f. The Town has classified certain leases as regulated and represent the leases meet the definition of a regulated lease under GASB Statement No. 87 and that all of the following requirements are applicable:

        i. Lease rates cannot exceed a reasonable amount, with reasonableness being subject to determination by an external regulator
        ii. Lease rates should be similar for lessees that are similarly situated
        iii. The lessor cannot deny potential lessees the right to enter into leases if facilities are available, provided that the lessee's use of the facilities complies with generally applicable use restrictions

    g. We have adequate controls in place to prevent and/or detect errors in lease assets and liabilities on a recurring basis.

    h. The footnotes to the financial statements appropriately describe the adoption of GASB 87 and include all additional disclosures required under the Statement.

44. We agree with the findings of specialists in evaluating the net pension asset and total OPEB liability and have adequately considered the qualification of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.

45. We acknowledge the current economic volatility presents difficult circumstances and challenges for the governmental sector. Governmental entities are potentially facing declines in the fair values of investments and other assets, declines in the volume of business, constraints on liquidity, difficulty obtaining financing. We understand the values of the assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments to asset values, allowances for accounts, etc., that could negatively impact the entity's ability to meet debt covenants or maintain sufficient liquidity.

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We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the entity's financial statements. Further, management and governance are solely responsible for all aspects of managing the entity, including questioning the quality and valuation of investments, inventory, and other assets; reviewing allowances for uncollectible amounts; evaluating capital needs and liquidity plans; etc.

DocuSigned by:
David Gaines, City Manager
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Council Meeting 2023 **12.**

Meeting Date: 02/13/2023

Department: Development Services

AGENDA CAPTION:

Hold a Public Hearing, Present, Discuss, and Consider Action on an **Ordinance Rezoning 13.7 Acres Generally Located at the Southeast Corner of Addison Road and Festival Way and the Northeast Corner of Quorum Drive and Arapaho Road, from Commercial-1 (C-1), Planned Development (PD), and Urban Center (UC), to a new Planned Development (PD) Zoning District, to Allow a Transit-Oriented Mixed Use Development Comprised of Multifamily Residential, Office, Parking, Restaurant, Retail, and Entertainment Uses, and Associated Public and Private Open Space and Common Areas, Through the Approval of a Concept Plan and Development Standards.** Case 1860-Z/Addison Circle Station - Phase I.

BACKGROUND:

The Addison Planning and Zoning Commission, meeting in regular session on January 17, 2023, voted to recommend approval of an ordinance changing the zoning on property generally located at the southeast corner of Addison Road and Festival Way and the Northeast corner of Quorum Drive and Arapaho Road, which property is currently zoned Commercial-1 (C-1), Planned Development (PD), and Urban Center (UC), to a Planned Development (PD) to allow for a transit-oriented mixed use development comprised of multifamily residential, office, parking, restaurant, retail, and entertainment uses, and associated public and private open space and common areas, through the approval of a concept plan and development standards, subject to the following condition:

- The development is executed in accordance with the attached Concept Plan, Master Streetscape Plan, and Planned Development District (PD) development standards, and the definitive agreements to be negotiated for the project.
- Lot 4X, Block A (fitness programming) will be fully entitled prior to site infrastructure construction commencement and will be completed prior to issuance of a Certificate of Occupancy for Lot 1, Block A (Stream Office).
- Lot 1X, Block C (public open space) will be fully entitled prior to site infrastructure construction commencement and will be completed prior to issuance of a Certificate of Occupancy for Lot 1, Block B (AMLI Mid-Rise).
- Lot 2, Block A will be fully entitled and constructed in accordance with the definitive agreements between the Town and Co-Developers.
- Right-of-Way on Addison Road will be preserved to accommodate a

northbound right-turn lane. If final traffic analysis determines a need for this right-turn lane improvement, it should be constructed concurrent to the first phase of this project.

- The final quantity of parking spaces, operation of the public parking structure, and retail parking accommodations in private parking structures, are subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.
- Building permit approval is subject to compliance with FAA Part 77 review for building height and final confirmation of residential building sites being situated outside of the 65 DNL noise contour.

Voting Aye: Branson, Catalani, Craig, Faircloth, Fansler, Souers, DeFrancisco
Voting Nay: none
Absent: none

SPEAKERS AT THE PUBLIC HEARING:

For: Joe Pedroza, 15787 Spectrum Drive
On: Holly Mentler, 4819 Broadway Street
Dino Sideris, 15404 Addison Road
Against: David Collins, 14668 Wayside Court
Mike O'Neal, 5021 Morris Avenue

Additionally, staff received one email that was neutral and one email that requested this action be delayed.

Please refer to the Staff Report for additional details.

RECOMMENDATION:

Administration recommends approval.

Attachments

1860-Z Presentation
1860-Z Ordinance
1860-Z Staff Report
1860-Z Concept Plan
1860-Z Master Streetscape Plan
1860-Z Permitted Uses and Development Standards
1860-Z Community Responses

Addison Circle Station – Phase I PD Rezoning (1860-Z)

Case 1860-Z Addison TOD PD Rezoning

LOCATION:

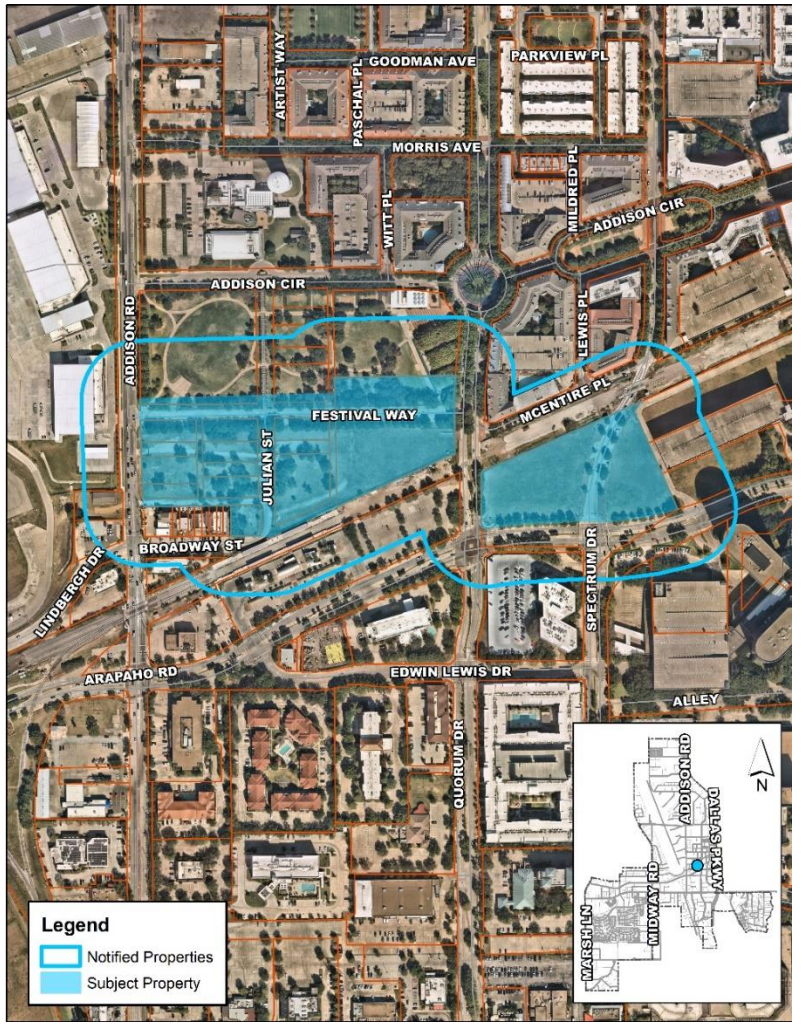
13.7 acres generally located at the southeast corner of Addison Road and Festival Way and the northeast corner of Quorum Drive and Arapaho Road.

REQUEST:

Rezoning of 13.7 acres from Commercial-1 (C-1), Planned Development (PD), and Urban Center (UC) District to a new Planned Development (PD) Zoning District to allow for a transit-oriented mixed use development comprised of multifamily residential, office, parking, restaurant, retail, and entertainment uses, and associated public and private open space and common areas, through the approval of a concept plan and development standards.

ACTION REQUIRED:

Discuss, consider, and take action on the appropriateness of the proposed PD rezoning and associated concept plan and development standards.



Case 1860-Z Addison TOD PD Rezoning



SITE HISTORY:

1990s – The Town acquired and assembled land for Addison Circle Park and the 13± acres situated north and east of the Addison Transit Center.

2018 – The Town adopted the Addison Circle Special Area Study, establishing a vision for transit-oriented, mixed use development in the area surrounding the future DART Silver Line station.

2020/2021 – The Town engaged real estate advisory firm, Cushman & Wakefield, to issue an RFP for a partnership to develop a transit-oriented mixed use development on Town and DART land .

2022 – The town selected and entered into a Memorandum of Understanding with the Co-Developer team of AMLI Residential and Stream Realty Partners.

Present – The Town and CO-Developers are requesting approval of a new PD zoning district, concept plan, and development standards (Phase I) in accordance with the terms of the MOU.

Case 1860-Z Addison TOD PD Rezoning



CONCEPT PLAN:

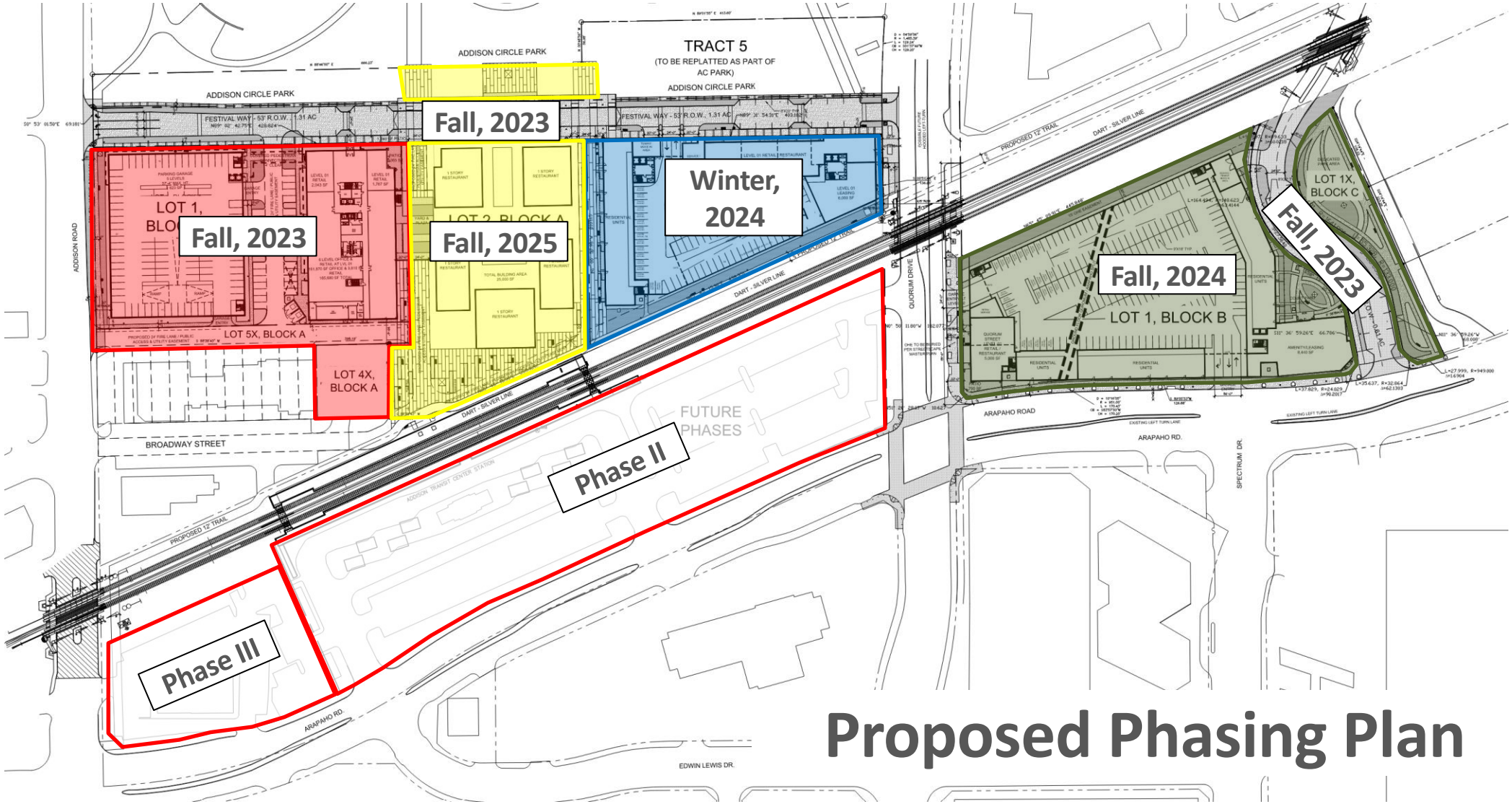
1. Office & Parking Structure
   - 6 story office building with 160K SF of office space and 3.5K SF of retail space; 5 level parking structure with 623 spaces; Outparcel with fitness programming

2. Retail/Restaurant/Entertainment Node
   - 5 – 7 single story buildings with 25K SF of retail space and programmed open space

3. Multifamily Residential Tower
   - 13 story tower with 270 dwelling units and 10K SF of retail space; 400+ space podium parking structure

4. Multifamily Residential Midrise
   - 7 story midrise building with 412 dwelling units and 15K SF of retail space; 600 space podium parking structure; Re-aligned Spectrum Drive and 0.4 acre park

Case 1860-Z Addison TOD PD Rezoning



Proposed Phasing Plan

Case 1860-Z Addison TOD PD Rezoning



Proposed Development Character

Case 1860-Z Addison TOD PD Rezoning



Office & Parking Structure

Case 1860-Z Addison TOD PD Rezoning



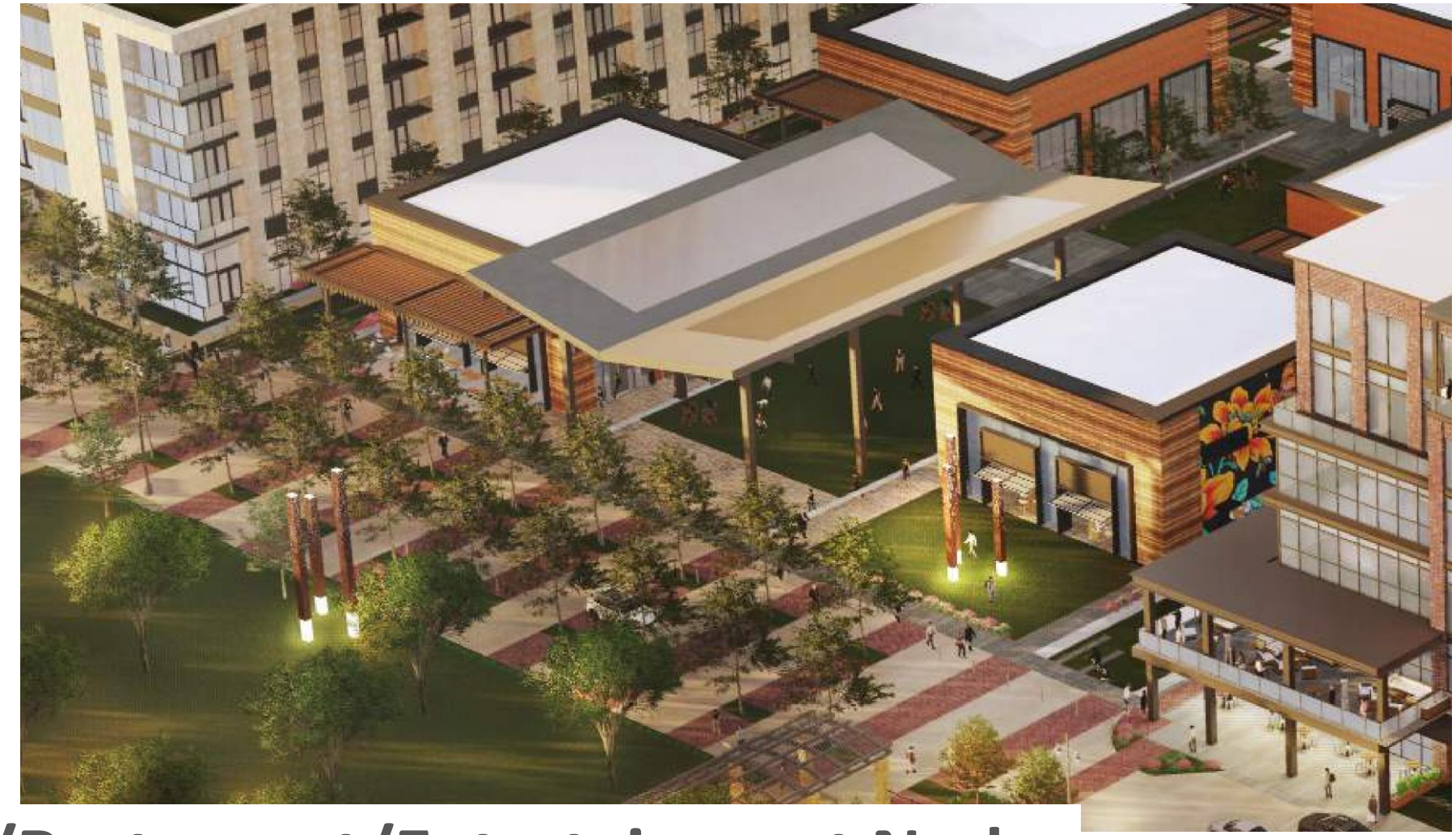
Office & Parking Structure

Case 1860-Z Addison TOD PD Rezoning



Office & Parking Structure

Case 1860-Z Addison TOD PD Rezoning



Retail/Restaurant/Entertainment Node

Case 1860-Z Addison TOD PD Rezoning



Multifamily Tower

Case 1860-Z Addison TOD PD Rezoning



Multifamily Tower

Case 1860-Z Addison TOD PD Rezoning



Multifamily Midrise

Case 1860-Z Addison TOD PD Rezoning

Streetscape



Case 1860-Z Addison TOD PD Rezoning

Streetscape



Case 1860-Z Addison TOD PD Rezoning

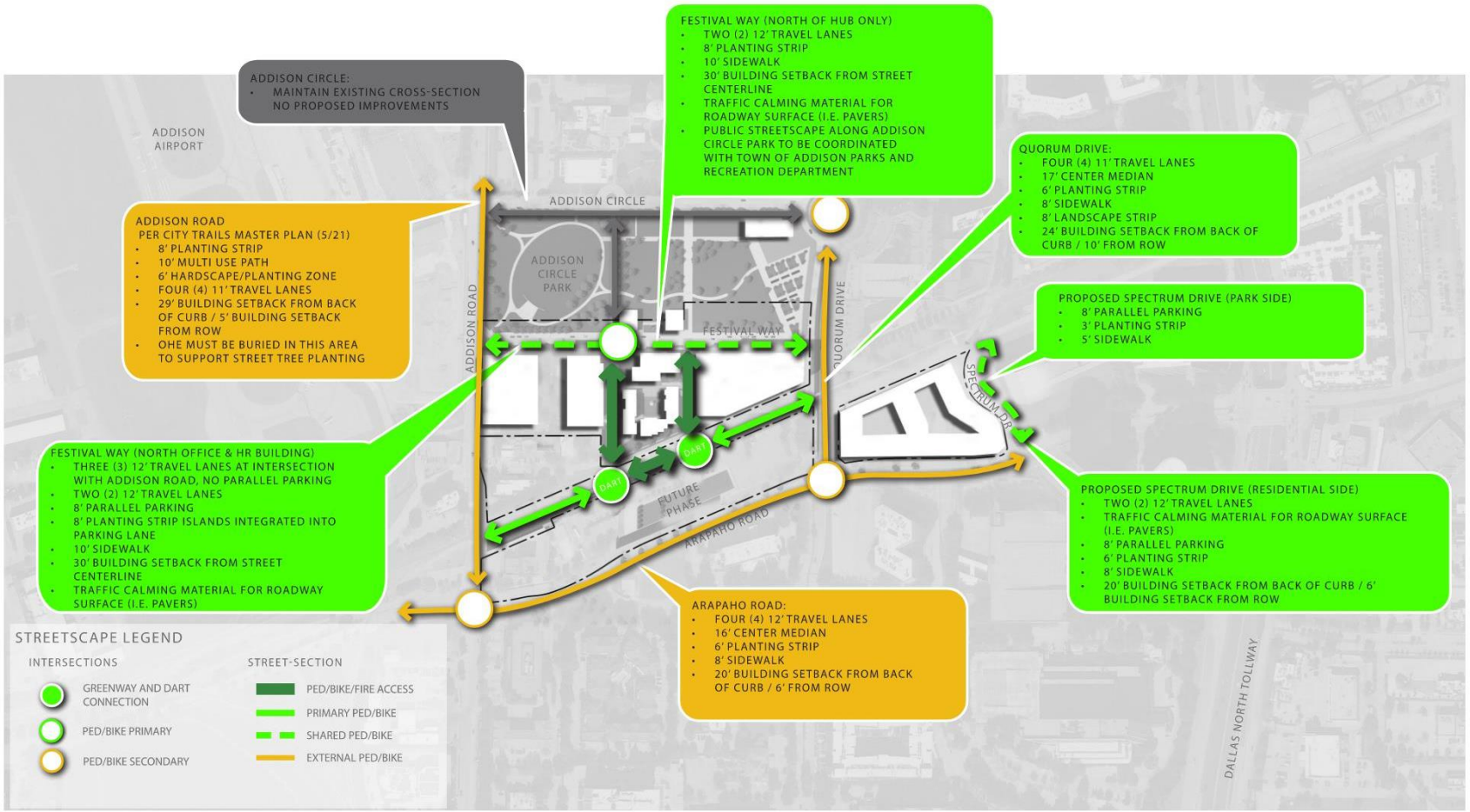


Case 1860-Z Addison TOD PD Rezoning



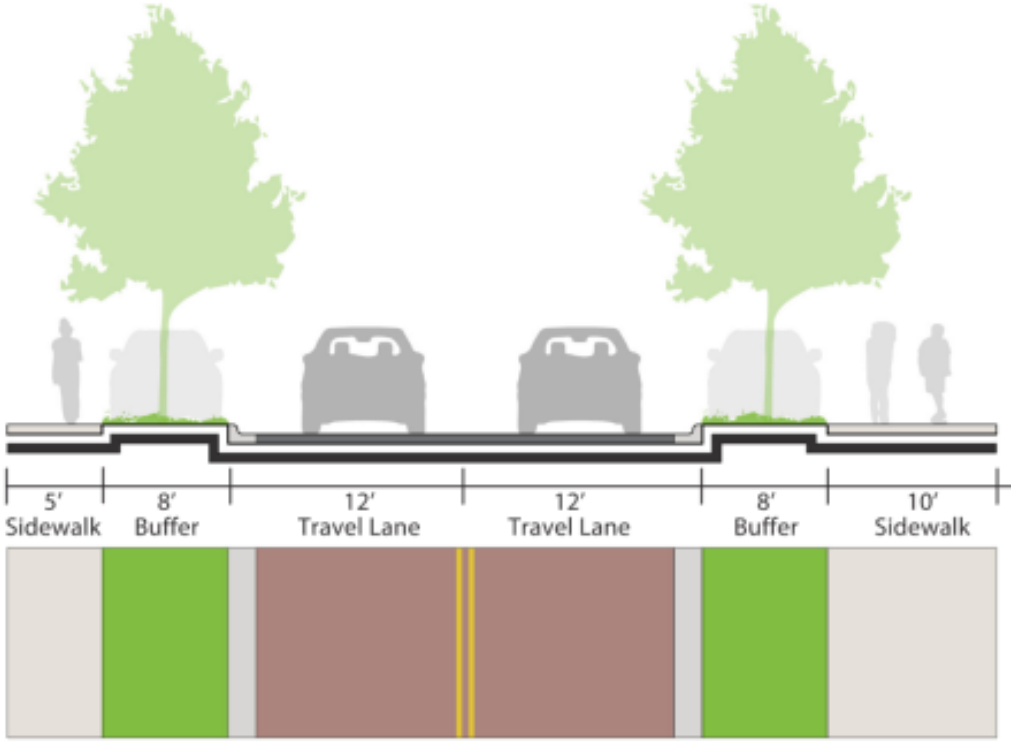
Fitness Court

Case 1860-Z Addison TOD PD Rezoning



Master Streetscape Plan

Case 1860-Z Addison TOD PD Rezoning





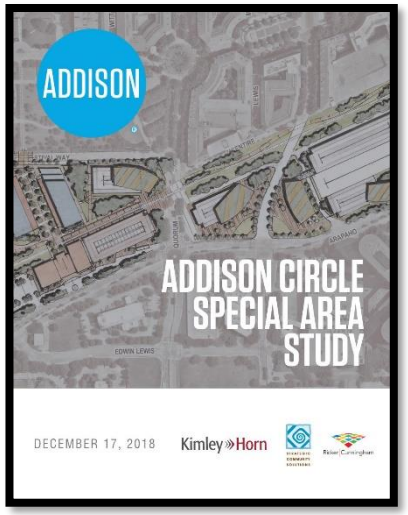
Master Streetscape Plan – Festival Way

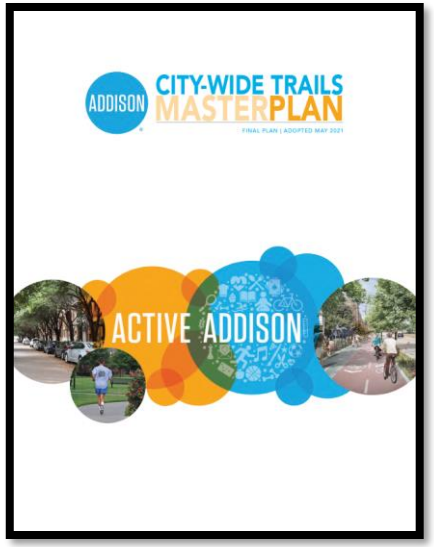
Case 1860-Z Addison TOD PD Rezoning

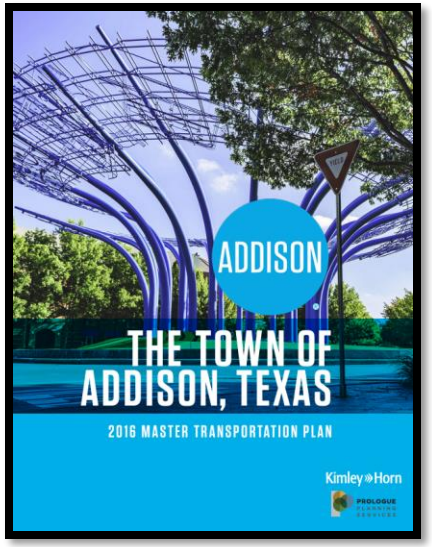
COMPLIANCE WITH TOWN LAND USE AND DEVELOPMENT POLICIES

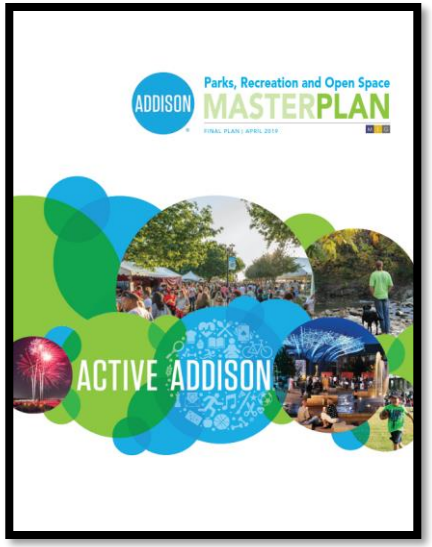
- 2013 Comprehensive Plan
- Addison Circle Special Area Study
- Addison Housing Policy
- Transportation, Park and Trail Master Plans



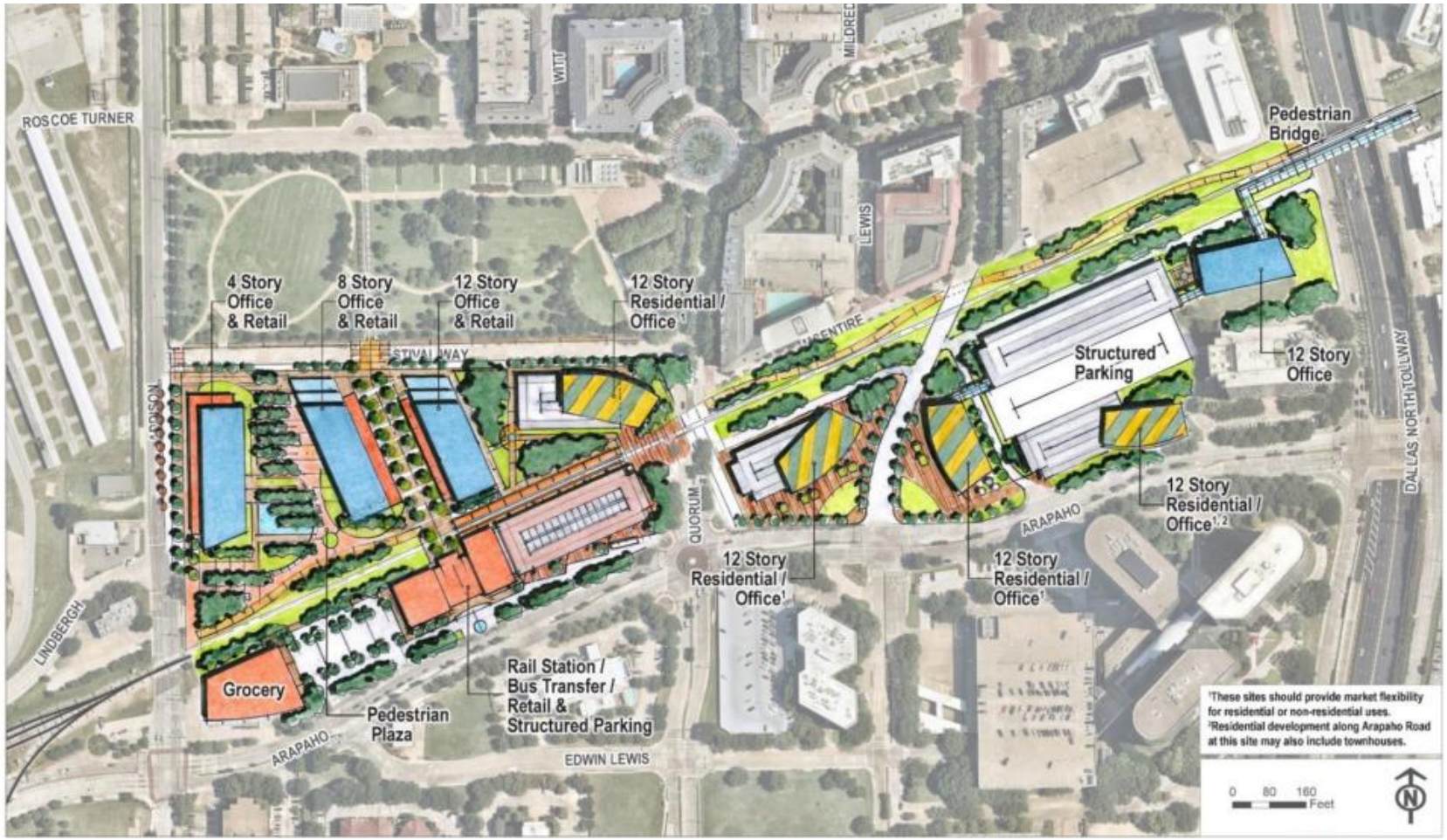








Case 1860-Z Addison TOD PD Rezoning



Addison Circle Special Area Study

Case 1860-Z Addison TOD PD Rezoning

SPECIAL AREA STUDY COMPLIANCE

Vision

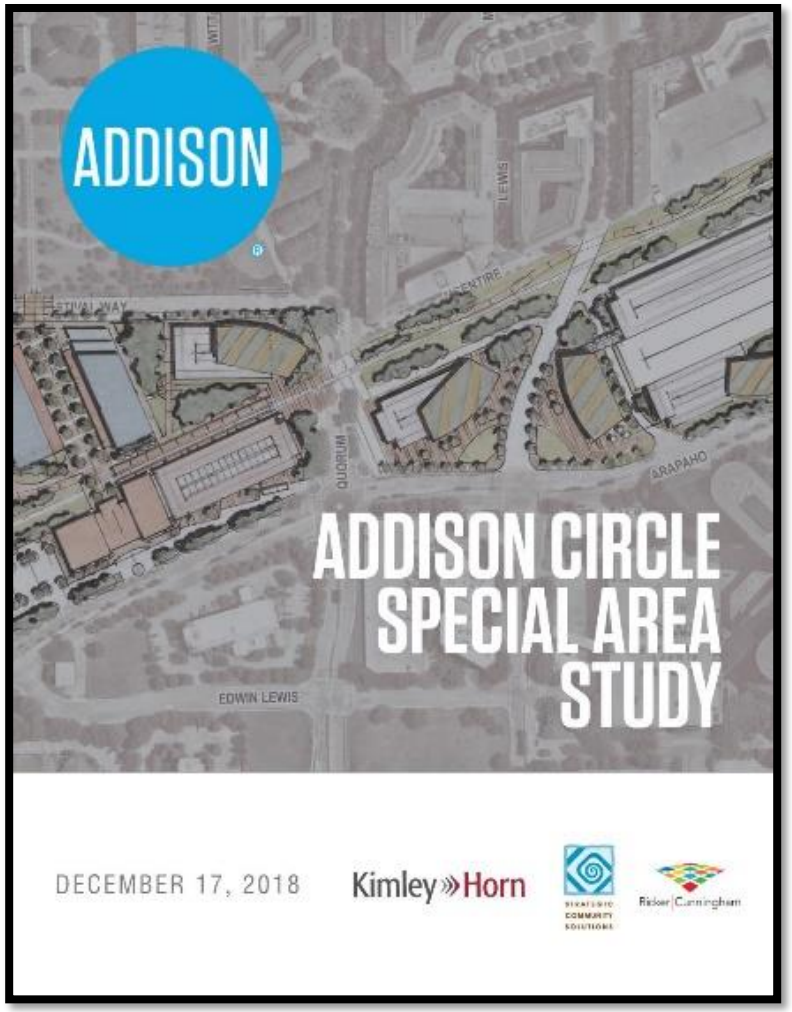
- request furthers the Town's goal of being a major destination on the Silver Line, and enhancing Addison Circle's reputation as a desirable place to live, work and play, and strengthening the Town's tax base

Guiding Principles

- Maintains/extends the character of the Addison Circle neighborhood, respects Addison Airport, accommodates TOD that maximizes the benefit of transit, achieves streetscape/civic space design to support a pedestrian friendly environment, and achieves substantial private investment while minimizing public subsidy

Strategic Direction

- Provides a mix of uses that is both unique and thoughtfully integrated, ensures Addison will be a prominent destination in the Silver Line corridor, provides a prominent pedestrian connection between the station area and Addison Circle Park, and will help the Town fund needed services, infrastructure, and facility maintenance.



Case 1860-Z Addison TOD PD Rezoning

ADDISON HOUSING POLICY - 2017

1. Where feasible and appropriate, new housing should increase the proportion of fee-simple ownership in Addison's housing mix. Apartment-only rezoning is unlikely to be approved, as currently the ratio of rental to ownership properties is higher than desired.

2. A proposal should offer a "best fit" mix of uses and housing choices within the context of the surrounding Addison community. The Town may use a study area committee with staff, elected, and appointed members such as area residents and business representatives) to evaluate a proposal's fit in Addison.

3. New housing should create or enhance neighborhoods of urban character rather than locate on a stand-alone, nonintegrated property and should continue the high quality design and walkability that make Addison's existing neighborhoods distinctive.

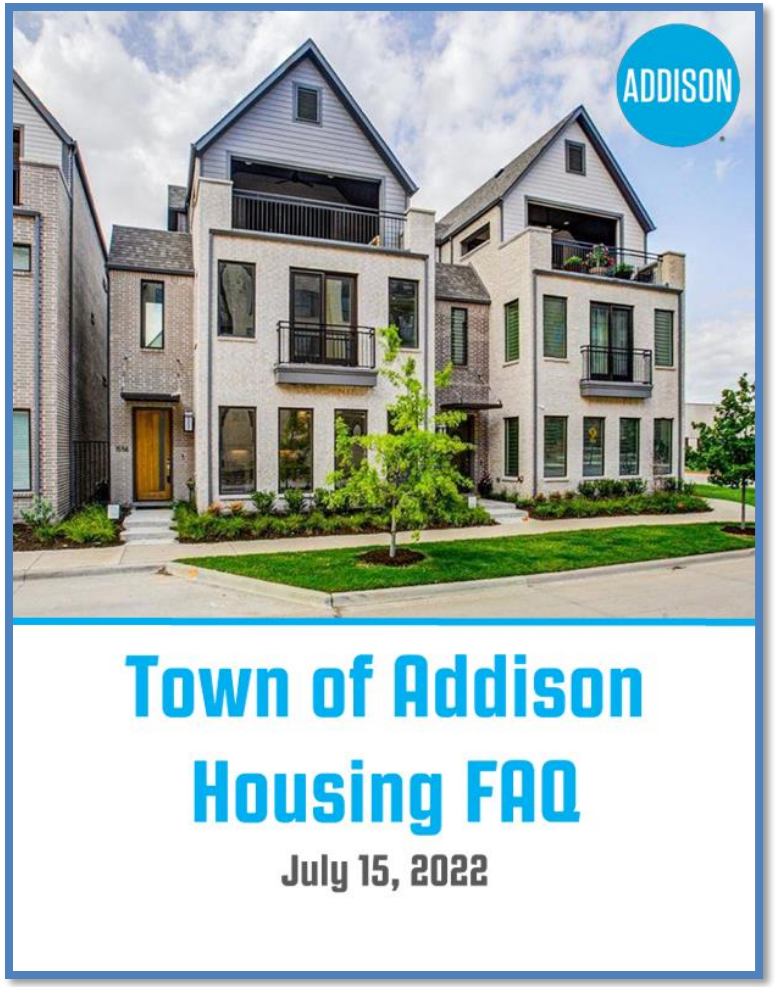
4. Proposals for independent and/or assisted living may be considered by the Town of Addison. Since there are no assisted living housing units in Addison today, the Town will conduct research to understand how this housing could or should be included in Addison's future

5. The City Council acknowledges that there may be exceptional projects that do not comply with elements of this policy. The Council encourages developers and staff to pursue projects that represent the highest and best use of each property and that advance portions of this policy or other Town goals.

Case 1860-Z Addison TOD PD Rezoning

ADDISON HOUSING POLICY COMPLIANCE

- This plan does not increase the proportion of fee simple ownership in Addison
    - None of the 5 RFP respondents included ownership housing in their development program, aligning with the dominant trend for TOD in Texas
- This proposal complies with the Addison Housing Policy by achieving a true mixed-use development that enhances an existing neighborhood of urban character.
- The scale, density, and architectural treatment exceeds the quality of similar projects in the Town and region and represents the highest and best use of a challenging development site.



Case 1860-Z Addison TOD PD Rezoning

MITIGATION OF DEVELOPMENT IMPACTS – RESIDENTIAL COMPATIBILITY

- This project introduces additional mixed-use development into an existing mixed-use development with 4 X the quantity of housing proposed by this project

- Development has natural buffers with the existing neighborhood through Addison Circle Park and the DART ROW

- Project appropriate transitions from Addison Airport with commercial uses (parking and office)



Case 1860-Z Addison TOD PD Rezoning

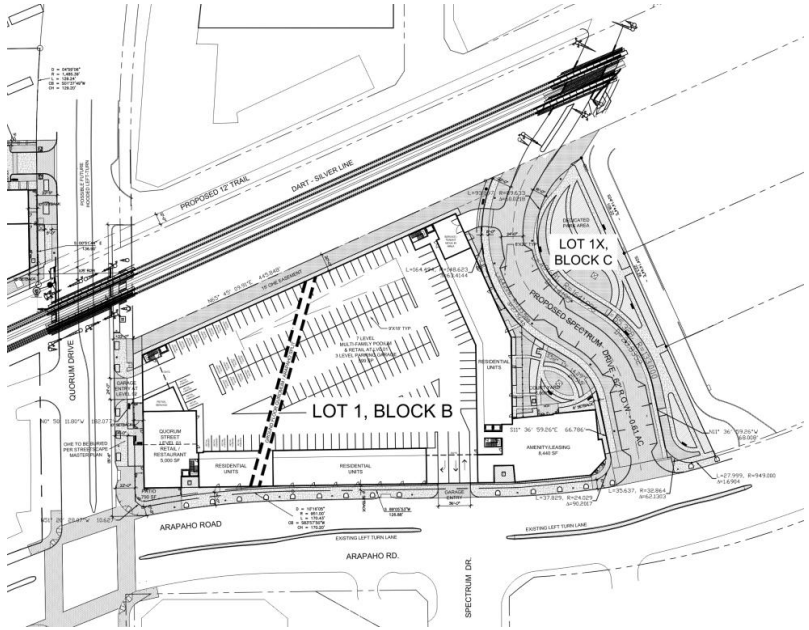
MITIGATION OF DEVELOPMENT IMPACTS – TRAFFIC GENERATION AND CIRCULATION

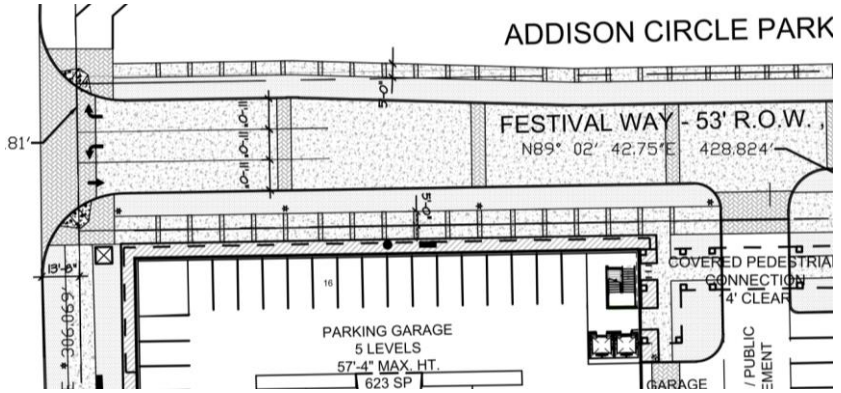
- Spectrum Road realignment needed to accommodate a block pattern more consistent with Addison Circle

- Minor modifications to traffic pattern at Arapaho and Spectrum, but the surrounding grid allows for this to be easily mitigated

- Dedicated turn lanes needed at western end of Festival Way

- Additional analysis of inbound traffic from Addison Road required; Right-of-way to be reserved in the event a right-turn lane is required





Case 1860-Z Addison TOD PD Rezoning

MITIGATION OF DEVELOPMENT IMPACTS – ADDISON AIRPORT

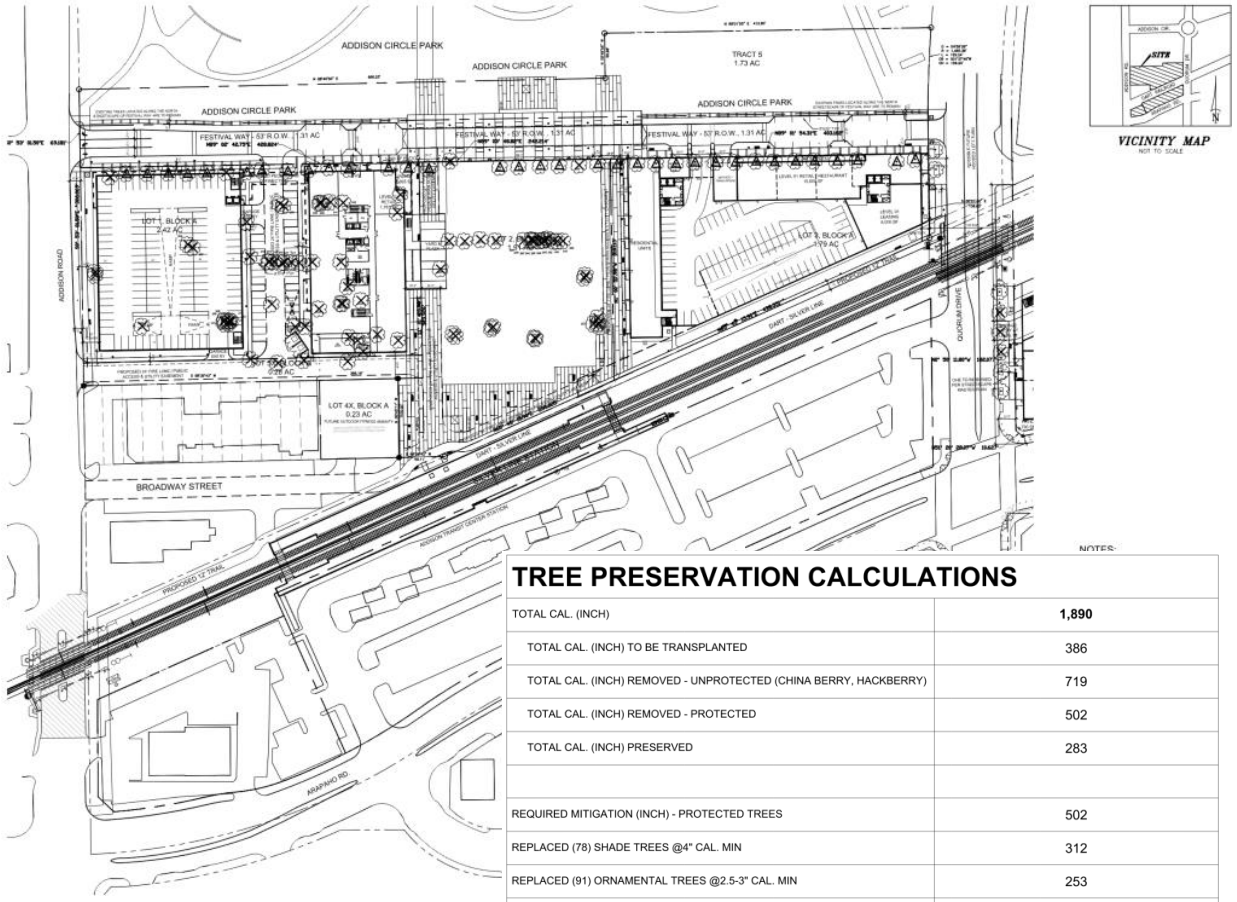
- All residential development must be located outside of the 65 DNL noise contour

- All buildings must mitigate conflicts with Addison Airport Part 77 Imaginary Surfaces

- All development will go through FAA Part 77 review during the building permit review process



Case 1860-Z Addison TOD PD Rezoning



TREE PRESERVATION CALCULATIONS	
TOTAL CAL. (INCH)	1,890
TOTAL CAL. (INCH) TO BE TRANSPLANTED	386
TOTAL CAL. (INCH) REMOVED - UNPROTECTED (CHINA BERRY, HACKBERRY)	719
TOTAL CAL. (INCH) REMOVED - PROTECTED	502
TOTAL CAL. (INCH) PRESERVED	283
REQUIRED MITIGATION (INCH) - PROTECTED TREES	502
REPLACED (78) SHADE TREES @4" CAL. MIN	312
REPLACED (91) ORNAMENTAL TREES @2.5-3" CAL. MIN	253
TOTAL MITIGATION PROVIDED (INCH)	565
REMAIN MITIGATION NEEDED (INCH)	0

MITIGATION OF DEVELOPMENT IMPACTS – PUBLIC SERVICES, TREE MITIGATION, & SITE ENCUMBRANCES

- Existing utility and drainage infrastructure has sufficient capacity to support the buildout of each phase of the TOD project

- No anticipated issues with Town/ISD service provision for this project, establishment of rail transit will require more public safety focus at the transit center

- Encumbrances – existing overhead electric, coordination with DART on station area access/NCTCOG on Cottonbelt trail design and construction

- **Removed Trees to be fully mitigated on site through new plantings and tree relocations**

Case 1860-Z Addison TOD PD Rezoning

PUBLIC NOTICE:

Notice of public hearing was provided to property owners within 200 feet of the subject property and DISD in accordance with Town and State law.

NOTICE RECIPIENTS: 25.

FOR: 0.
AGAINST: 0.
NEUTRAL: 0.

ADDITIONAL FEEDBACK RECEIVED:

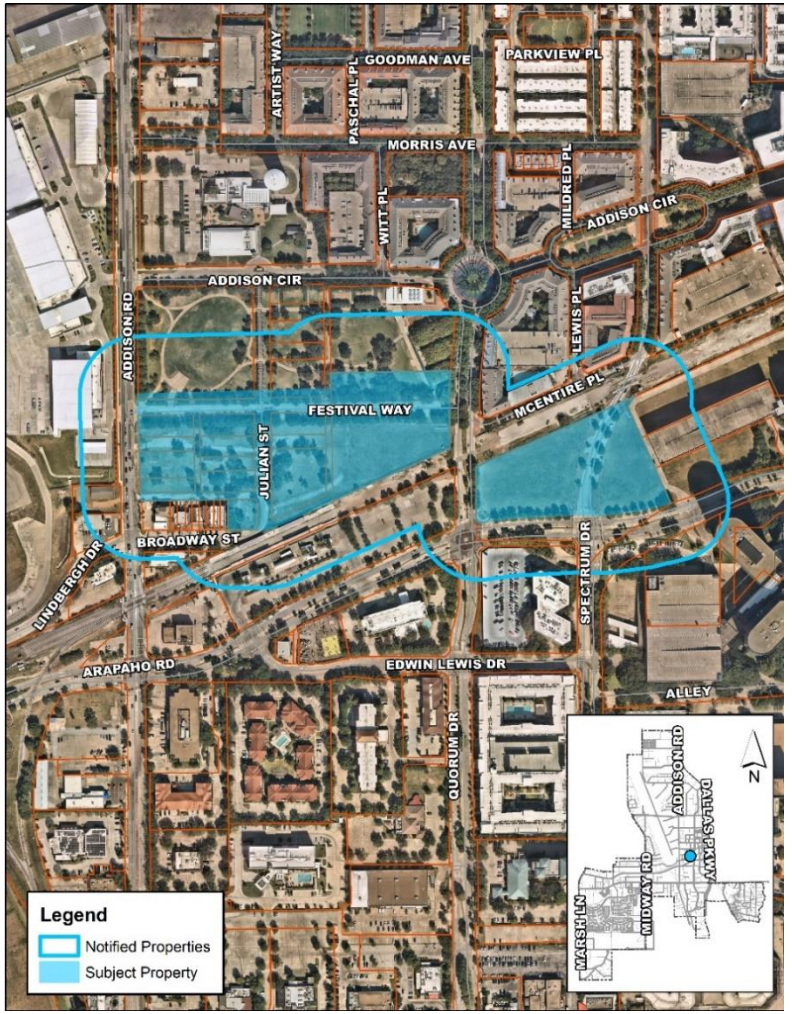
- 1 letter that was neutral.

PROJECT COMMUNICATIONS SINCE 2018:

2 x Special Area Study community open houses
2 x Public Meetings to adopt Special Area Study and MOU
6 x Town Meeting presentations
11 x eNewsletter entries

PLANNING & ZONING COMMISSION ACTION:

Approval: 7-0



Case 1860-Z Addison TOD PD Rezoning

RECOMMENDATION:

Staff recommends **approval with conditions:**

- The development is executed in accordance with the Concept Plan, Master Streetscape Plan, and Planned Development District (PD) development standards, and the definitive agreements to be negotiated for the project.
- Lot 4X, Block A (fitness programming) and Lot 1X, Block C (public open space) will be fully entitled prior to site infrastructure construction commencement and will be completed prior to issuance of a Certificate of Occupancy for adjacent lots.
- Lot 2, Block A will be fully entitled and constructed in accordance with the definitive agreements.
- Right-of-Way on Addison Road will be preserved to accommodate a northbound right-turn lane. If final traffic analysis determines a need for this right-turn lane improvement, it should be constructed concurrent to the first phase of this project.
- The final quantity of parking spaces, operation of the public parking structure, and retail parking accommodations in private parking structures, are subject to completion of a parking study and execution of definitive agreements.
- Building permit approval is subject to compatibility with Addison Airport height and noise restrictions.

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS, AMENDING THE COMPREHENSIVE ZONING ORDINANCE BY REZONING PROPERTIES COMPRISING 13.7± ACRES OF LAND GENERALLY LOCATED AT THE SOUTHEAST CORNER OF ADDISON ROAD AND FESTIVAL WAY AND THE NORTHEAST CORNER OF QUORUM DRIVE AND ARAPAHO ROAD, FROM COMMERCIAL-1 (C-1), PLANNED DEVELOPMENT (PD), AND URBAN CENTER (UC), TO A NEW PLANNED DEVELOPMENT (PD) ZONING DISTRICT TO ALLOW A TRANSIT-ORIENTED MIXED USE DEVELOPMENT COMPRISED OF MULTIFAMILY RESIDENTIAL, OFFICE, PARKING, RESTAURANT, RETAIL, AND ENTERTAINMENT USES, AND ASSOCIATED PUBLIC AND PRIVATE OPEN SPACE AND COMMON AREAS, THROUGH THE APPROVAL OF A CONCEPT PLAN AND DEVELOPMENT STANDARDS; PROVIDING A PENALTY NOT TO EXCEED TWO THOUSAND AND NO/100 DOLLARS ($2,000.00); PROVIDING FOR SAVINGS, NO SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, at its regular meeting held on January 17, 2023 the Planning & Zoning Commission considered and made recommendations on Case No.1860-Z, being a request to rezone properties comprising 13.7± acres of land generally located at the southeast corner of Addison Road and Festival Way and the northeast corner of Quorum Drive and Arapaho Road, from Commercial-1 (C-1), Planned Development (PD), and Urban Center (UC), to a new Planned Development (PD) Zoning District to allow a transit-oriented mixed use development comprised of multifamily residential, office, parking, restaurant, retail, and entertainment uses, and associated public and private open space and common areas (the "Project"), through the approval of a concept plan and Development Standards (defined herein below); and

WHEREAS, the Project shall be developed in conformance with this Ordinance together with all definitive development agreements executed in connection with the Project, including the Second Amended Memorandum of Understanding between the Town of Addison, AMLI Residential, and Stream Realty for the Addison Circle Area Transit Oriented Development (MOU) dated January 10, 2023, as the same may be amended from time to time (collectively herein, the "Definitive Agreements"); and

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

WHEREAS, the City Council further finds, 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, 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. The Zoning Ordinance and official zoning map shall be amended so as to rezone the Property, said Property comprising 13.7+/-, and being further described within **Exhibit A** attached hereto, to a new Planned Development (PD) District, subject to the following conditions:

A. Development Plans for this PD zoning district shall comply with the Permitted Uses and Development Standards (the "Development Standards"), Concept Plan, and Master Streetscape Plan, which are attached hereto as **Exhibit B**, **Exhibit C,** and **Exhibit D** and made a part hereof for all purposes. Additional development conditions may be further defined in the Definitive Agreements.

B. Lot 4X, Block A (fitness programming) will obtain development plan and civil engineering plan approval prior to issuance of a permit for the construction of site infrastructure and will be completed prior to issuance of a Certificate of Occupancy for Lot 1, Block A (Stream Office).

C. Lot 1X, Block C (public open space) will obtain development plan and civil engineering plan approval prior to issuance of a permit for the construction of site infrastructure and will be completed prior to issuance of a Certificate of Occupancy for Lot 1, Block B (AMLI Mid-Rise).

D. Lot 2, Block A will obtain development plan and civil engineering plan approval and be constructed in accordance with the Definitive Agreements.

E. Right-of-Way on Addison Road will be reserved to accommodate a northbound right-turn lane. If the final traffic impact analysis determines a need for this right-turn lane improvement, it should be constructed concurrent to the first phase of the Project.

F. The final quantity of parking spaces, operation of the public parking structure, and retail parking accommodations in private parking structures, are subject to completion of a parking study and execution of the Definitive Agreements.

G. Developer shall provide the City evidence of compliance with FAA Part 77 building height review and final confirmation of residential building sites being situated outside of the 65 DNL noise contour prior to issuance of a building permit for the Project.

SECTION 3. 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, Section 1-7 of the Code of Ordinances for the Town of Addison.

SECTION 4. The provisions of this Ordinance are severable, and should any section, subsection, paragraph, sentence, phrase or word of this Ordinance, or application thereof to any

person, firm, corporation or other business entity or any circumstance, be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of the remaining or other parts or portions of this Ordinance, and the City Council hereby declares that it would have passed such remaining parts or portions of this Ordinance despite such unconstitutionality, illegality, or invalidity, which remaining portions shall remain in full force and effect.

SECTION 5. 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. 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.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas, on this the ***13TH*** day of ***FEBRUARY 2023.***

TOWN OF ADDISON, TEXAS

_____
Joe Chow, Mayor

ATTEST:

_____
Irma Parker, City Secretary

APPROVED AS TO FORM:

_____
Whitt Wyatt, City Attorney

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

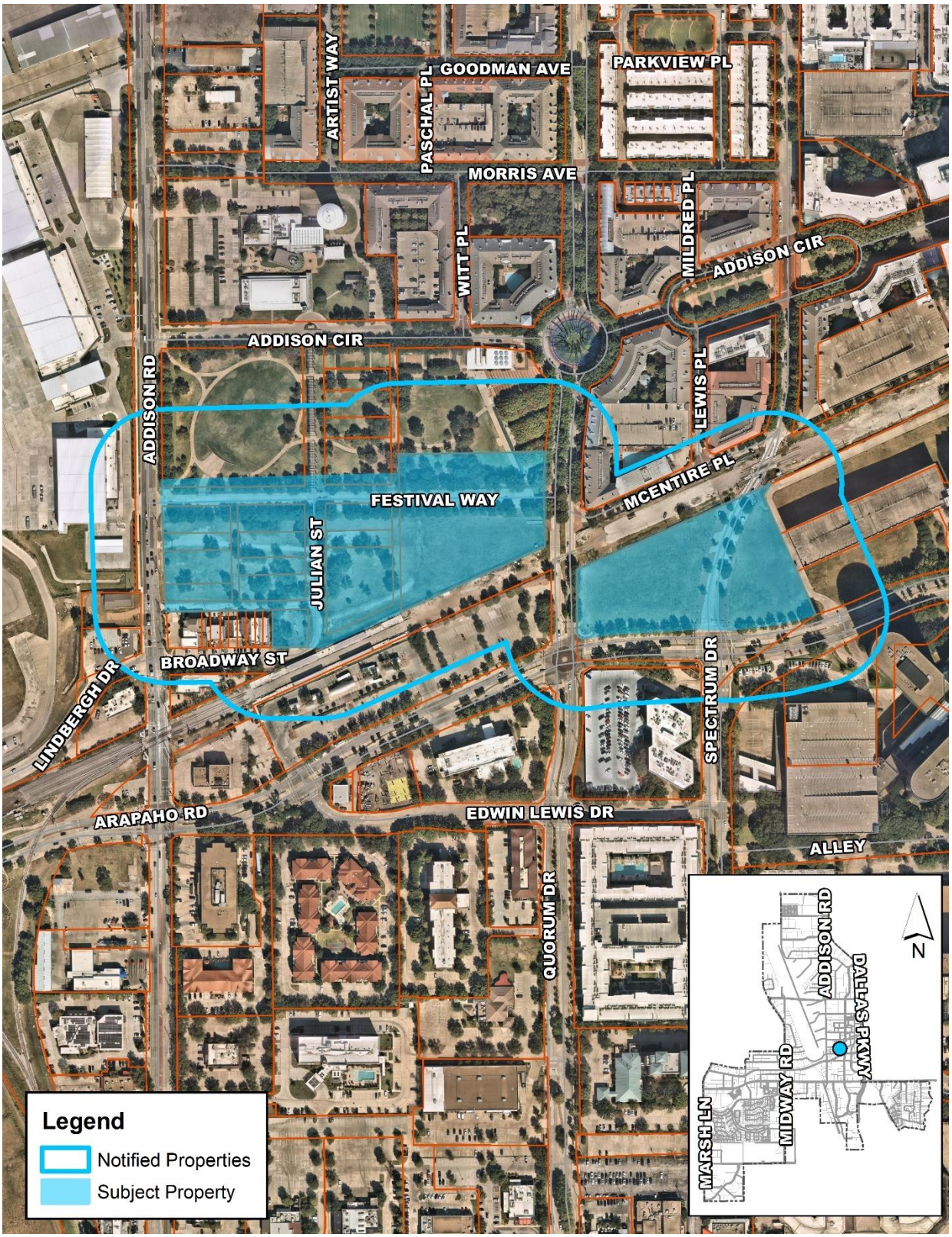


EXHIBIT A

Being a 9.676 acre tract of land situated in the G.W. Fisher Survey, Abstract No. 482, Town of Addison Dallas County, Texas, being all of Lot 1, Block F, Addison Circle Phase II, an addition to the Town of Addison, Dallas County, Texas, according to the plat thereof, recorded in Volume 97217, Page 3056, Deed Records, Dallas County, Texas, and being part of the Plat of Addison, an addition to the Town of Addison, Dallas County Texas, according to the plat thereof, recorded in Volume 1, Page 35, Map Records, Dallas County, Texas, and also being part of that 0.5968 acre tract of land conveyed to the Town of Addison and recorded in Volume 99245, Page 2363 of the Deed Records, Dallas County, Texas and being more particularly described as follows:

BEGINNING at 5/8 inch iron rod with cap stamped "Jones & Carter" (Controlling Monument (CM)) found on at the northwest corner of said Plat of Addison, and also being on the east right-of-way line of Addison Road (variable width right-of-way);

THENCE, North 00 degrees 53 minutes 01 seconds West, along the common west line of said Plat of Addison, and the east right-of-way line of said Addison Road, a distance of 375.25 feet to a 5/8 inch iron rod with cap stamped "Traverse LS Prop Cor" found, from which a 1/2 inch iron rod with cap found on the east right-of-way line of said Addison Road bears North 00 degrees 53 minutes 01 seconds West, a distance of 977.88 feet;

THENCE, North 88 degrees 46 minutes 50 seconds East, departing the east right-of-way line of said Addison Road, and crossing said Plat of Addison, a distance of 666.23 feet to a 5/8 inch iron rod with cap stamped "Traverse LS Prop Cor" found, said point being on the west line of said Lot 1, Block F, Addison Circle Phase II;

THENCE, North 00 degrees 48 minutes 56 seconds West, along the west line of said Lot 1, Block F, a distance of 56.98 feet to a 5/8 inch iron rod with cap stamped "Traverse LS Prop Cor" found on the northwest corner of said Lot 1, Block F, same being the southwest corner of Lot 1, Block A, Addison Circle Phase I, an addition to the Town of Addison, Dallas County Texas, according to the plat thereof, recorded in Volume 97189, Page 1047, Deed Records, Dallas County, Texas;

THENCE, North 89 degrees 01 minutes 55 seconds East, along the common north line of said Lot 1, Block F, and the south line of said Lot 1, Block A, a distance of 413.60 feet to a 5/8 inch iron rod with cap stamped "Traverse LS Prop Cor" found on the northeast corner of said Lot 1, Block F, and the southeast corner of said Lot 1, Block A, and also being on the west right-of-way line of Quorum Drive (variable width right-of-way), said iron rod also being the beginning of a curve to the left, having a central angle of 04 degrees 59 minutes 06 seconds, a radius of 1,485.39 feet and being subtended by a chord bearing of South 01 degrees 37 minutes 49 seconds West, a chord distance of 129.20 feet;

THENCE, in a southwesterly direction, along the common west right-of-way line of said Quorum Drive, and the east line of said Lot 1, Block F, an arc distance of 129.24 feet to a 5/8 inch iron rod with cap stamped "Traverse LS Prop Cor" found;

THENCE, South 00 degrees 51 minutes 44 seconds East, continuing along the common west right-of-way line of said Quorum Drive, and the east line of said Lot 1, Block F, a distance of 136.90 feet to a 5/8 inch iron rod with cap stamped "Traverse LS Prop Cor" found on the southeast corner of said Lot 1, Block F, said iron rod also being on the north line of a 100-foot Dart Rail right-of-way, as recorded in Volume 91008, Page 1390 of the Deed Records, Dallas County, Texas, from which a 5/8 inch iron rod with cap stamped "Jones & Carter" found (CM) bears North 65 degrees 45 minutes 16 seconds East, a distance of 14.16 feet;

THENCE, South 65 degrees 45 minutes 16 seconds West, along the common north line of said Dart rail tract, and the south line of said Lot 1, Block F, a distance of 673.38 feet to a 5/8 inch iron rod with cap stamped "Traverse LS Prop Cor" found on the south line of said Plat of Addison, from which a 5/8 inch iron rod found bears South 72 degrees 36 minutes 28 seconds West, a distance of 4.10 feet;

THENCE, South 88 degrees 38 minutes 43 seconds West, departing the north line of said Dart rail tract, being the southerly line of said Plat of Addison and being the southerly line of a tract of land conveyed to Town of Addison by Special Warranty Deed recorded in Volume 2002057, Page 1296, Deed Records, Dallas County, Texas, a distance of 158.11 feet to a point for corner, said corner being the southwesterly corner of Lot 13 of said Town of Addison tract and being on the southeasterly corner of Lot 12 of said Plat of Addison;

THENCE, North 00 degrees 43 minutes 11 seconds West, along the common westerly line of said Town of Addison tract and the easterly line of said Lot 12, Plat of Addison, a distance of 100.00 feet to a point for corner, said iron rod being on the south line of a 25 foot alley;

THENCE, South 88 degrees 38 minutes 43 seconds West, along the south line of said 25 foot alley, a distance of 298.19 feet to the **POINT OF BEGINNING** and containing 9.676 acres (421,503 square feet) of land, more or less.

EXHIBIT A

EXHIBIT "A"

CURVE TABLE

Curve No.	Delta	Radius	Length	Chord Bearing	Chord
C1	04°59'06"	1,485.39'	129.24'	S 01°37'49" W	129.20'

LINE TABLE

No.	Bearing	Distance
L1	N 00°48'56" W	56.98'
L2	S 00°51'44" W	136.90'
L3	S 88°38'43" W	158.11'
L4	N 00°43'11" W	100.00'
L5	S 88°38'43" W	298.19'

The Basis of Bearings is from the Texas State Plane Coordinate System, NAD83, North Central Zone as derived from GPS observations using the Allterra RTK Network and adjusted to surface using a surface scale factor of 1.000136506.



Note: This document was prepared under 22 TAC §663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in the real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

EXHIBIT "A"

(TRACT 1) 9.676 ACRE TRACT
G.W. FISHER SURVEY, ABSTRACT NO. 482
TOWN OF ADDISON,
DALLAS COUNTY, TEXAS

JOB No. TR-05-23	DRAWN BY: DV
DATE: FEBRUARY 08, 2023	CHECKED BY: MAN
SCALE: 1"=200'	SHEET 3 OF 3

2/7/23

STATE OF TEXAS
REGISTERED
MARK ALLAN NACE
5539
PROFESSIONAL
LAND SURVEYOR

MARK ALLAN NACE
TEXAS RPLS NO. 5539

TRAVERSE
LAND SURVEYING LLC
Surveying | Construction Staking | Platting
14200 Midway Road, Suite 130
Dallas, TX 75224 T: 469.784.9321
W: TraverseLandSurveying.com
Texas Firm No. 10194631

EXHIBIT A

Being a 3.991 acre tract of land situated in the G.W. Fisher Survey, Abstract No. 482, Town of Addison Dallas County, Texas, being part of that 6.272 acre tract of land conveyed to the Town of Addison and recorded in Instrument Volume 93243, Page 6422 of the Deed Records, Dallas County, Texas and being more particularly described as follows:

COMMENCING at an "X" cut (Controlling Monument (CM)) found on the northeast corner of Lot 1, Addison Bus Transit Center, an addition dedicated to the Town of Addison, Dallas County, Texas, according to the plat thereof recorded in Volume 2000130, Page 2574, Deed Records, Dallas County Texas, and also being on the west right-of-way line of Quorum Drive (variable width right-of-way), from which a 5/8 inch rod found with cap stamped "Jones & Carter" (CM) on the south line of a 100-foot Dart Rail right-of-way, as recorded in Volume 91008, Page 1390 of the Deed Records, Dallas County, Texas, said iron rod bears North 00 degrees 45 minutes 26 seconds West, a distance of 76.42 feet;

THENCE, North 87 degrees 50 minutes 28 seconds East, crossing said Quorum Drive, at a distance of 80.16 feet to a 5/8 inch iron rod with cap stamped "Traverse LS Prop Cor" found at the **POINT OF BEGINNING** for the herein described tract**;**

THENCE, North 65 degrees 45 minutes 10 seconds East, along the common north line of said Town of Addison tract, and the south line of said Dart Rail tract, a distance of 590.07 feet to a point for corner at the most northerly northwest corner of Millennium Phase II, an addition to the Town of Addison, Dallas County, Texas, according to the plat thereof recorded in Volume 98221, Page 00022, Deed Records, Dallas County Texas, and being the beginning of a non-tangent curve to the left, having a central angle of 03 degrees 26 minutes 11 seconds, a radius of 636.00 feet and being subtended by a chord bearing South 32 degrees 09 minutes 42 seconds West, a chord distance of 38.14 feet;

THENCE along said curve to the left along the common east line of said Town of Addison tract and the west line of said Millennium Phase II addition, in a southwesterly direction, an arc distance of 38.15 feet to an angle point at the end of said curve;

THENCE, South 24 degrees 14 minutes 44 seconds East, along the common east line of said Town of Addison tract, and the west line of said Millennium Phase II, passing a 1/2" iron rod found (CM) on the southwest corner of said Millennium Phase II, at a distance of 117.37 feet, and passing a 1/2 inch rod with cap stamped "RPLS 5199" (CM) found on the southwest corner of Millennium Phase I, an addition to the Town of Addison, Dallas County, Texas, according to the plat thereof recorded in Volume 98221, Page 00021, Deed Records, Dallas County Texas, and continuing a total distance of 358.76 feet to a 5/8 inch iron rod with cap stamped "Traverse LS Prop Cor" found on the southeast corner of said Town of Addison tract, same being on the southwest corner of Millennium Phase III, an addition to the Town of Addison, Dallas County, Texas, according to the plat thereof recorded in Volume 99114, Page 0009, Deed Records, Dallas County Texas, and also being on the north right-of-way line of Arapaho Road (variable width right-of-way), said iron rod found being the beginning of a curve to the right, having a central

angle of 14 degrees 55 minutes 52 seconds, a radius of 949.00 feet and being subtended by a chord bearing of South 81 degrees 37 minutes 57 seconds West, a chord distance of 246.61 feet;

THENCE, in a southwesterly direction, along the common south line of said Town of Addison tract, and the north right-of-way line of said Arapaho road, an arc distance of 247.31 feet to the end of said curve;

THENCE, South 89 degrees 05 minutes 53 seconds West, along the common north right-of-way line of said Arapaho Road, and the south line of said Town of Addison tract, a distance of 232.29 feet to a 5/8 inch iron rod with cap stamped "Traverse LS Prop Cor" found at the being the beginning of a curve to the left, having a central angle of 10 degrees 16 minutes 05 seconds, a radius of 951.00 feet and being subtended by a chord bearing of South 83 degrees 57 minutes 50 seconds West, a chord distance of 170.20 feet;

THENCE, in a southwesterly direction, along the common north right-of-way line of said Arapaho Road, and the south line of said Town of Addison tract, an arc distance of 170.43 feet to a 5/8 inch iron rod with cap stamped "Traverse LS Prop Cor" found on the southwest corner of a corner clip on the north right-of-way line of said Arapaho Road, and the east right-of-way line of said Quorum Drive;

THENCE, North 51 degrees 20 minutes 28 seconds West, along said corner clip, a distance of 26.76 feet to a 5/8 inch iron rod with cap stamped "Traverse LS Prop Cor" found on the northwest corner of said corner clip;

THENCE, North 00 degrees 51 minutes 39 seconds West, along the common east right-of-way line of said Quorum Drive, and the west line of said Town of Addison tract, a distance of 166.40 feet to **POINT OF BEGINNING** and containing 3.991 acres (173,843 square feet) of land, more or less.

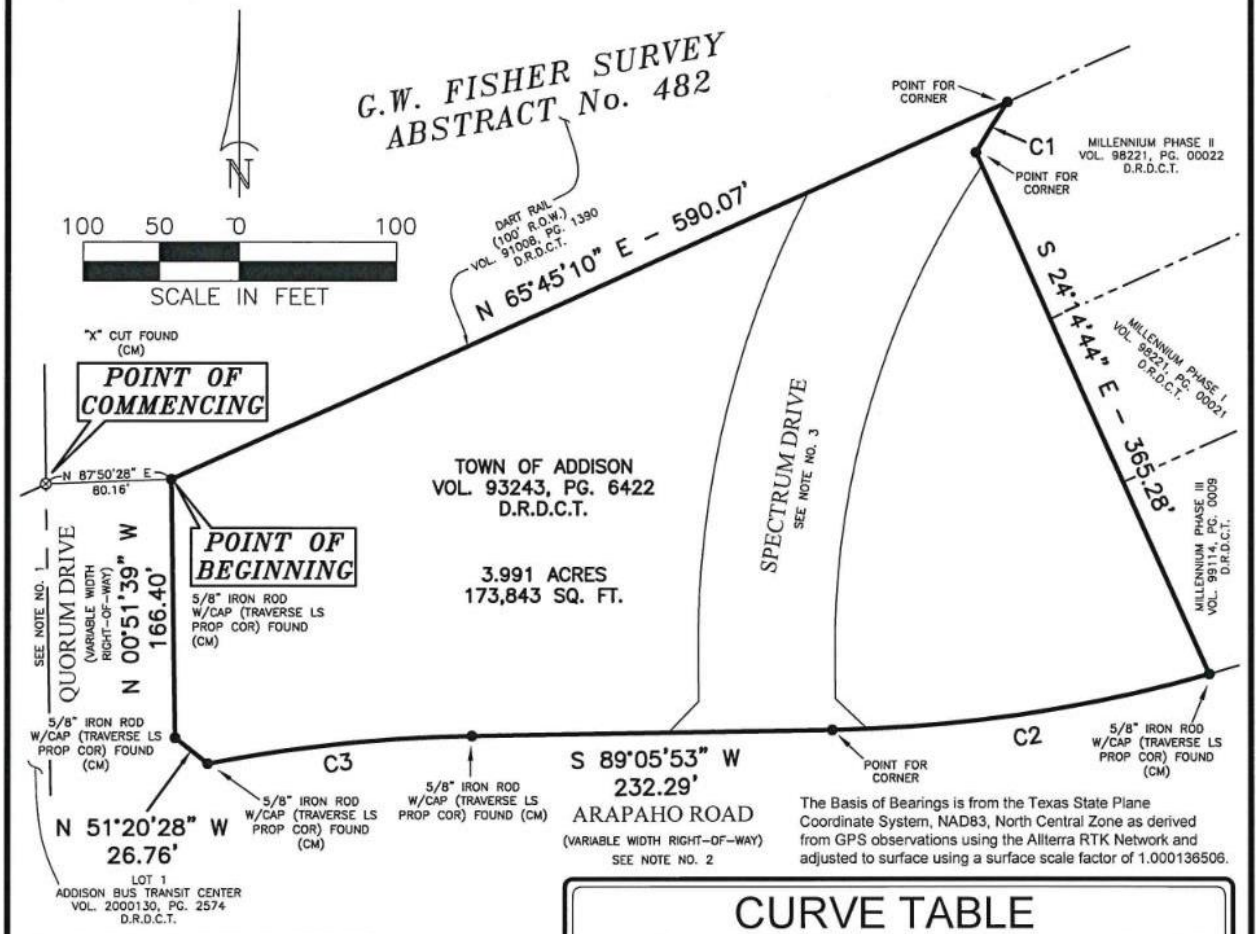
EXHIBIT A

EXHIBIT "A"

Note 1: Quorum Drive between the southerly right-of-way line of the Dart Rail and Arapaho Road does not have a dedicated right-of-way. The right-of-way lines depicted are based on the right-of-way map for Arapaho Road prepared by Huitt-Zollars, Inc. for the Town of Addison, Project No.1772-01, Sheet No. R2, Revised on 1/16/98.

Note 2: Arapaho Road does not have a dedicated right-of-way. The right-of-way lines depicted for Arapaho Road are based on the right-of-way map for Arapaho Road prepared by Huitt-Zollars Inc., for the Town of Addison, Project No. 1772-01, Sheet No. R2, Revised on 1/16/98.

Note 3: Spectrum Drive between the southerly right-of-way line of the Dart Rail and Arapaho Road does not have a dedicated right-of-way. The right-of-way lines depicted are based on the Horizontal Control Plan for Spectrum Drive, prepared by Huitt-Zollars, Inc. for the Town of Addison, Project No. 01-3220-01, Sheet No. 2, dated November 2003.



The Basis of Bearings is from the Texas State Plane Coordinate System, NAD83, North Central Zone as derived from GPS observations using the Allterra RTK Network and adjusted to surface using a surface scale factor of 1.000136506.

Note: This document was prepared under 22 TAC §663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in the real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

CURVE TABLE

Curve No.	Delta	Radius	Length	Chord Bearing	Chord
C1	03°26'11"	636.00'	38.15'	S 32°09'42" W	38.14'
C2	14°55'52"	949.00'	247.31'	S 81°37'57" W	246.61'
C3	10°16'05"	951.00'	170.43'	S 83°57'50" W	170.20'

EXHIBIT "A"

(TRACT 2) 3.991 ACRE TRACT
G.W. FISHER SURVEY, ABSTRACT NO. 482
TOWN OF ADDISON,
DALLAS COUNTY, TEXAS

JOB No. TR-05-23	DRAWN BY: DV
DATE: FEBRUARY 08, 2023	CHECKED BY: MAN
SCALE: 1"=100'	SHEET 3 OF 3

2/7/23

STATE OF TEXAS REGISTERED MARK ALLAN NACE 5539 PROFESSIONAL LAND SURVEYOR

MARK ALLAN NACE
TEXAS RPLS NO. 5539

TRAVERSE LAND SURVEYING LLC
Surveying | Construction Staking | Platting
14200 Midway Road, Suite 130
Dallas, TX 75224 T: 469.784.9321
W: TraverseLandSurveying.com
Texas Firm No. 10194631

EXHIBIT B

PERMITTED USES AND DEVELOPMENT STANDARDS

1. **Permitted Uses:**

   A. Condominium.

   B. Multifamily.

   C. Senior Housing (Special Use Permit (SUP) required).

   D. Live/Work.

      i. The commercial use is limited to professional services such as accountants, architects, artisans, attorneys, computer and multimedia related professionals, consultants, engineers, hair stylists, insurance, real estate, athletic trainers, travel agents, one-on-one instructors, and similar occupations as may be approved by the Zoning Administrator provided that the use does not detract from, or pose a nuisance to, the adjacent uses.

      ii. Both the residential and commercial components of the Live/Work unit must be occupied by the same tenant.

   E. Office.

   F. Co-Working.

   G. Retail – as defined in the Residential Subdistrict Use Regulations for the Urban Center (UC) Zoning District.

   H. Restaurant (Special Use Permit (SUP) required).

   I. Food Hall (Special Use Permit (SUP) required).

   J. Hotel (Special Use Permit (SUP) required).

   K. Health Club (Special Use Permit (SUP) required).

   L. Day Care Facility (Special Use Permit (SUP) required).

   M. Entertainment/Event Venue (Indoor or Outdoor).

   N. Sale of alcohol for on-premises or off-premises consumption (Special Use Permit (SUP) required).

   O. Accessory uses encompassing community, social, and recreation facilities customary to multifamily residential and mixed-use development, and home occupations that do not employ persons outside the residence and that do not alter the physical structure or generate additional parking demand, inclusive of any temporary or overnight parking related to such home occupation.

2. **Maximum Number of Multifamily Dwelling Units:** 700 dwelling units.

3. **Development Phasing and Operational Restrictions:** The Concept Plan shall be

implemented in accordance with the terms and conditions outlined in the Second Amended Memorandum of Understanding between the Town of Addison, AMLI Residential, and Stream Realty for the Addison Circle Area Transit Oriented Development (the "MOU") dated January 10, 2023, as the same may be amended, together with the final executed Definitive Agreements (defined in this PD-O23-_____)

4. Landscape (Overall Site):

Minimum Tree Plantings: New canopy tree plantings shall be a minimum of 4 caliper inches in diameter. Tree planting may be achieved in public open space, private open space, or common areas, and at the streetscape.

Trees shall be planted to achieve all required tree mitigation on site. Where mitigated trees are at least 8 caliper inches in diameter, a replacement tree, of at least 6 caliper inches in diameter, must be utilized to fulfill mitigation requirements on an inch for inch basis.

Alternative replacement and transplanted trees shall be considered by the Town where said trees can enhance the diversity of tree planting and positively contribute to the overall aesthetics and screening needs for the site. The Director of Parks and Recreation may, in the Town's sole discretion, approve alternative tree mitigation standards to account for transplanting of mature trees.

A. Required Site Landscape: Excluding streets, parking, sidewalks, plazas, and other required hardscape, common areas are to be landscaped and irrigated. Residential ground floor frontages shall be required to landscape the entire area between the edge of sidewalk and the primary building facade, excluding access to sidewalks, stairs, stoops, porches, and patios. This area must be irrigated, and may be landscaped with ground cover, low shrubs, and ornamental trees.

5. Public Open Space:

A. Minimum Public Open Space: As depicted in the **Concept Plan**.

B. Public Open Space Furnishings: Public open space shall be amenitized with site furnishings such as benches, trash receptables, pedestrian lighting, fitness programming, and public art.

C. Public Open Space Landscape: Landscape shall be irrigated and shall include a mix of evergreen and deciduous canopy and ornamental tree species, ornamental groundcover, and zoysia grass turf, or acceptable alternative.

D. Public Open Space Installation and Maintenance: All public open space improvements shall be installed by the developer and owned and maintained in accordance with the terms of a future Definitive Agreements between the Town and Co-Developers.

6. **Streetscape Standards:** All streetscapes shall comply with the **Master Streetscape Plan.**

7. **Pavement Treatments:** Enhanced pavement treatments will be provided in accordance with the **Concept Plan**. This will be achieved through the use of pavers, as well as unique concrete treatments such as painting, staining, and patterned sawcuts.

8. **Multifamily (Tower) Form Standards:**

   A. Minimum Lot Area: None.

   B. Minimum Lot Width: None.

   C. Maximum Lot Width (Festival Way Frontage): 450 feet.

   D. Minimum Lot Depth: None.

   E. Maximum Lot Depth: 300 feet.

   F. Minimum Building Setbacks:

      i. Front Yard (Festival Way): 30 feet from the centerline of the street.

      ii. Front Yard (Quorum Drive): 10 feet.

      iii. Side Yard: None.

      iv. Rear Yard: None.

   G. Minimum Building Height: 13 stories, or the maximum building height permitted under FAA Part 77 review.

   H. Maximum Building Height: the maximum building height permitted under FAA Part 77 review.

   I. High-Rise Building: A building with an occupied floor located more than 75 feet above the lowest level of fire department access.

   J. Minimum Floor Area Per Dwelling Unit: 600 square feet.

   K. Minimum Ground Floor Commercial Floor Area: 10,000 square feet.

   L. Minimum Ground Floor Commercial Floor Height: 16 feet floor to floor.

9. **Multifamily (Mid-Rise) Form Standards:**

   A. Minimum Lot Area: None.

   B. Minimum Lot Width: None.

C. Maximum Lot Width (Arapaho Road Frontage): 600 feet.

D. Minimum Lot Depth: None.

E. Maximum Lot Depth (Spectrum Drive Frontage): 400 feet.

F. Minimum Building Setbacks:

i. Front Yard (Arapaho Road): 6 feet.

ii. Front Yard (Quorum Drive): 10 feet.

iii. Front Yard (Spectrum Drive): 6 feet.

iv. Side Yard: None.

v. Rear Yard: None.

G. Minimum Building Height: 6 stories.

H. Maximum Building Height: 10 stories.

I. High-Rise Building: A building with an occupied floor located more than 75 feet above the lowest level of fire department access.

J. Minimum Floor Area Per Dwelling Unit: 600 square feet.

K. Minimum Ground Floor Commercial Floor Area: 5,000 square feet.

L. Minimum Ground Floor Commercial Floor Height: 16 feet floor to floor.

10. Office & Parking Structure Form Standards:

A. Minimum Lot Area: None.

B. Minimum Lot Width: None.

C. Maximum Lot Width (Festival Way Frontage): 475 feet.

D. Minimum Lot Depth: None.

E. Maximum Lot Depth (Addison Road Frontage): 275 feet.

F. Minimum Building Setbacks:

i. Front Yard (Addison Road): 15 feet.

ii. Front Yard (Festival Way): 30 feet from the centerline of the street.

iii. Side Yard: None.

iv. Rear Yard: None.

G. Minimum Building Height: 5 stories (parking garage), 6 stories (office), or, if applicable, the maximum building height permitted under FAA Part 77 review.

H. Maximum Building Height: the maximum building height permitted under FAA Part 77 review.

I. Minimum Office Floor Area: 160,000 square feet.

J. Minimum Ground Floor Retail Floor Area: 3,500 square feet.

K. Minimum Ground Floor Commercial Floor Height: 15 feet floor to floor.

11. Retail/Restaurant/Entertainment Node Form Standards:

A. Minimum Lot Area: None.

B. Minimum Lot Width: 200 feet.

C. Maximum Lot Width: None.

D. Minimum Lot Depth: 250 feet.

E. Maximum Lot Depth: None.

F. Minimum Building Setbacks:

v. Front Yard (Festival Way): 30 feet from the centerline of the street.

vi. Side Yard: None

vii. Rear Yard: None.

G. Minimum Building Height: 1 story.

H. Maximum Building Height: the maximum building height permitted under FAA Part 77 review.

I. Minimum Building Floor Area: 25,000 square feet.

J. Minimum Gathering/Civic/Open Space: 20 percent of the gross area of the lot. Physical and visual connections must be made from this designated space(s) to Festival Way and the Silver Line Station.

12. Airport Noise Mitigation: Residential buildings must be located outside of the 65 DNL noise contour for Addison Airport.

13. Parking:

A. Minimum Off-Street Parking Requirements:

i. Multifamily (Stacked Flat): 1 space per bedroom, not to exceed 2 spaces per dwelling unit.

ii. Office/Co-Working: 1 space per 300 square feet of floor area.

iii. Retail: 1 space per 300 square feet of floor area.

iv. Restaurant: 1 space per 100 square feet of floor area.

B. Shared Parking: The final quantity of parking spaces, operation of the public parking structure, and retail parking accommodations in private parking structures, are subject to completion of a parking study and execution of a development agreement between the Town and Co-Developers.

C. Bicycle Parking: 1 space for every 15 required off-street parking spaces, with at least 50 percent of provided spaces being accommodated within the interior of a structure.

14. Façade: Building facades shall comply with the terms and conditions of the MOU and the Definitive Agreements.

15. Mechanical Equipment Placement and Screening: Mechanical equipment shall be mounted on the roof and be screened from view from all rights-of-way and located to minimize noise intrusion off each lot. Screening must be architecturally compatible with the building design.

16. Solid Waste and Recycling: Solid Waste and recycling services shall be provided for this development. Dumpsters and compactors should be considered in the design of buildings and shall not be permitted as freestanding features within the site, unless enclosed in a masonry dumpster enclosure and situated at least 200 feet away or screened by buildings from view from a public street.

17. Sustainability:

A. The provision of sustainability features such as LEED compliance, electric vehicle charging stations, and public art shall be fully defined by the Definitive Agreements.

18. Residential Dwelling Unit Features:

A. Interior Finishes: There shall be no linoleum or Formica surfaces in the units. All countertops shall be granite, stone, or a superior surface material.

B. Appliances: All units shall be equipped with energy efficient appliances.

EXHIBIT C

CONCEPT PLAN

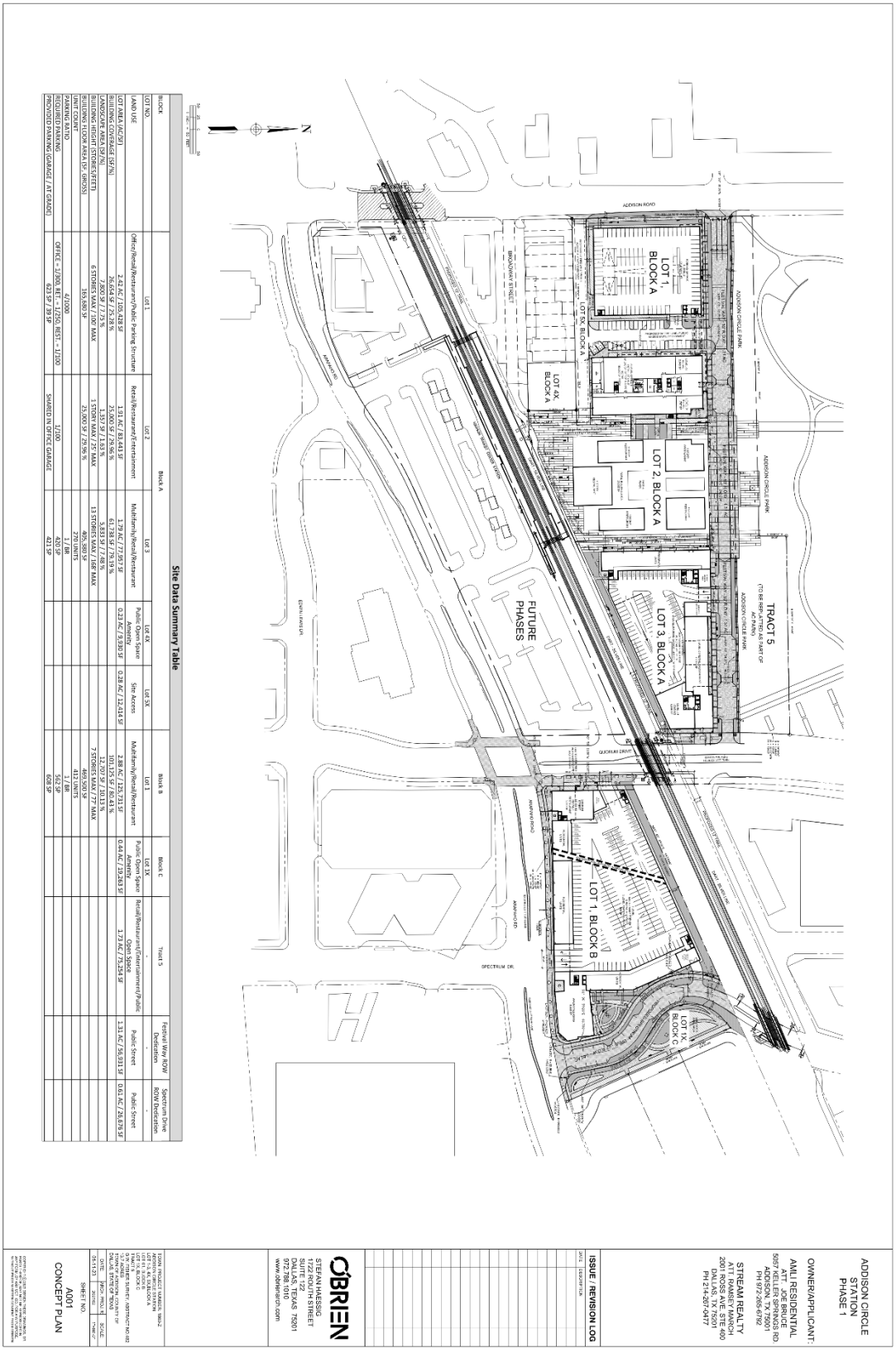


EXHIBIT C

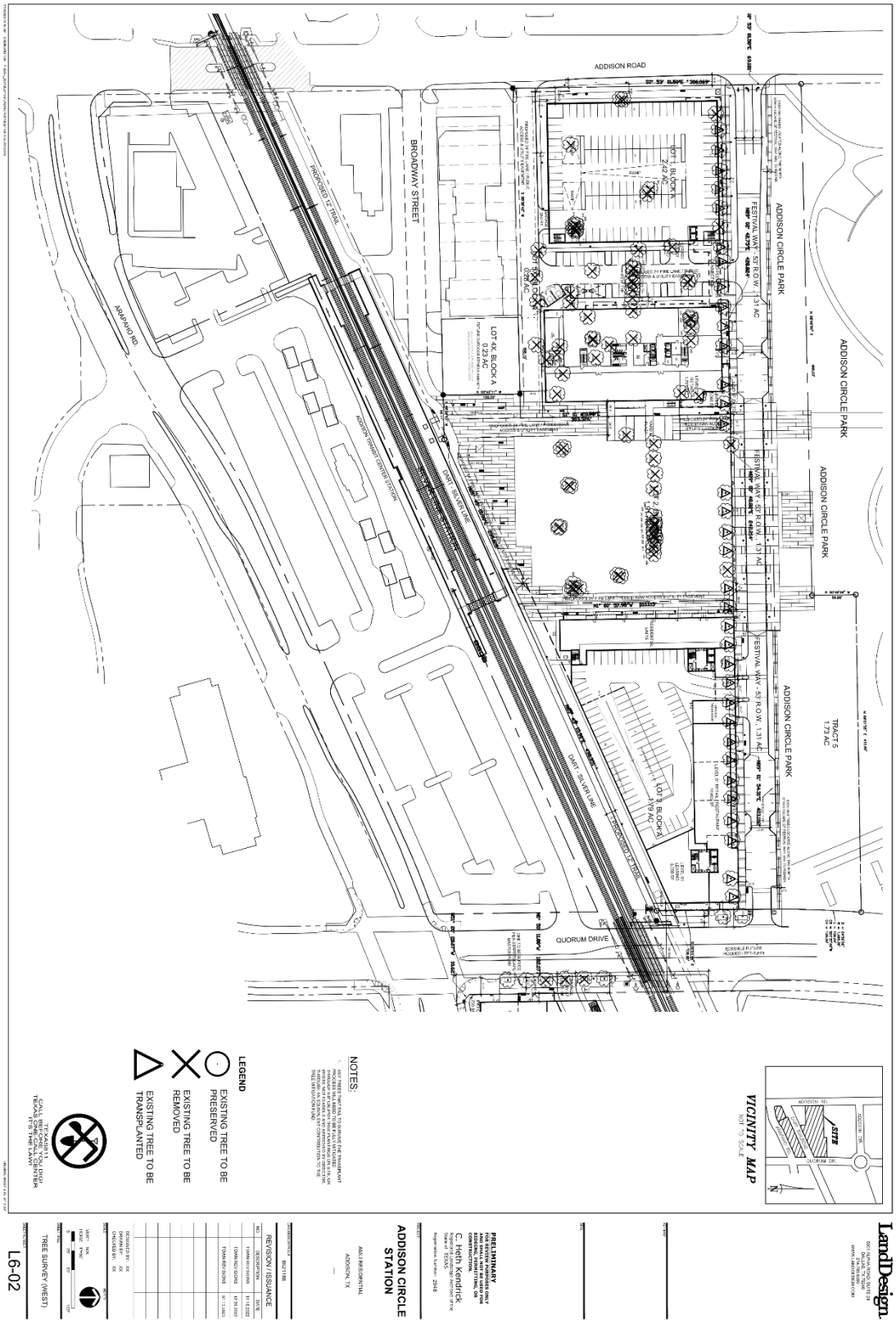

ADDISON ROAD
BROADWAY STREET
ARAPAHO RD
ADDISON CIRCLE PARK
FESTIVAL WAY - 65' R.O.W. 1.31 AC
PROPOSED 12' TRAIL
DART SILVER LINE
QUORUM DRIVE
LOT 1, BLOCK A 2.42 AC
LOT 4X, BLOCK A 0.23 AC
LOT 3, BLOCK A 1.79 AC
TRACT 5 1.73 AC
POSSIBLE FUTURE ROUNDED BY-PASS
VICINITY MAP
NOT TO SCALE
LEGEND
EXISTING TREE TO BE PRESERVED
EXISTING TREE TO BE REMOVED
EXISTING TREE TO BE TRANSPLANTED
NOTES:
LandDesign.
ADDISON CIRCLE STATION
TREE SURVEY (WEST)
L6-02

EXHIBIT C

QUORUM DRIVE
ARAPAHO ROAD
SPECTRUM DR.
PROPOSED 12' TRAIL
DART - SILVER LINE
LOT 1, BLOCK E
2.89 AC
LOT X
6.44 AC
PROPOSED SPECTRUM DRIVE 62' R.O.W.- 0.61 AC
TREE TABLE
NOTES:
TREE PRESERVATION CALCULATIONS
LEGEND
EXISTING TREE TO BE PRESERVED
EXISTING TREE TO BE REMOVED
EXISTING TREE TO BE TRANSPLANTED
VICINITY MAP
ADDISON CIRCLE STATION
TREE SURVEY (EAST) AND TABLE
L6-03

EXHIBIT C

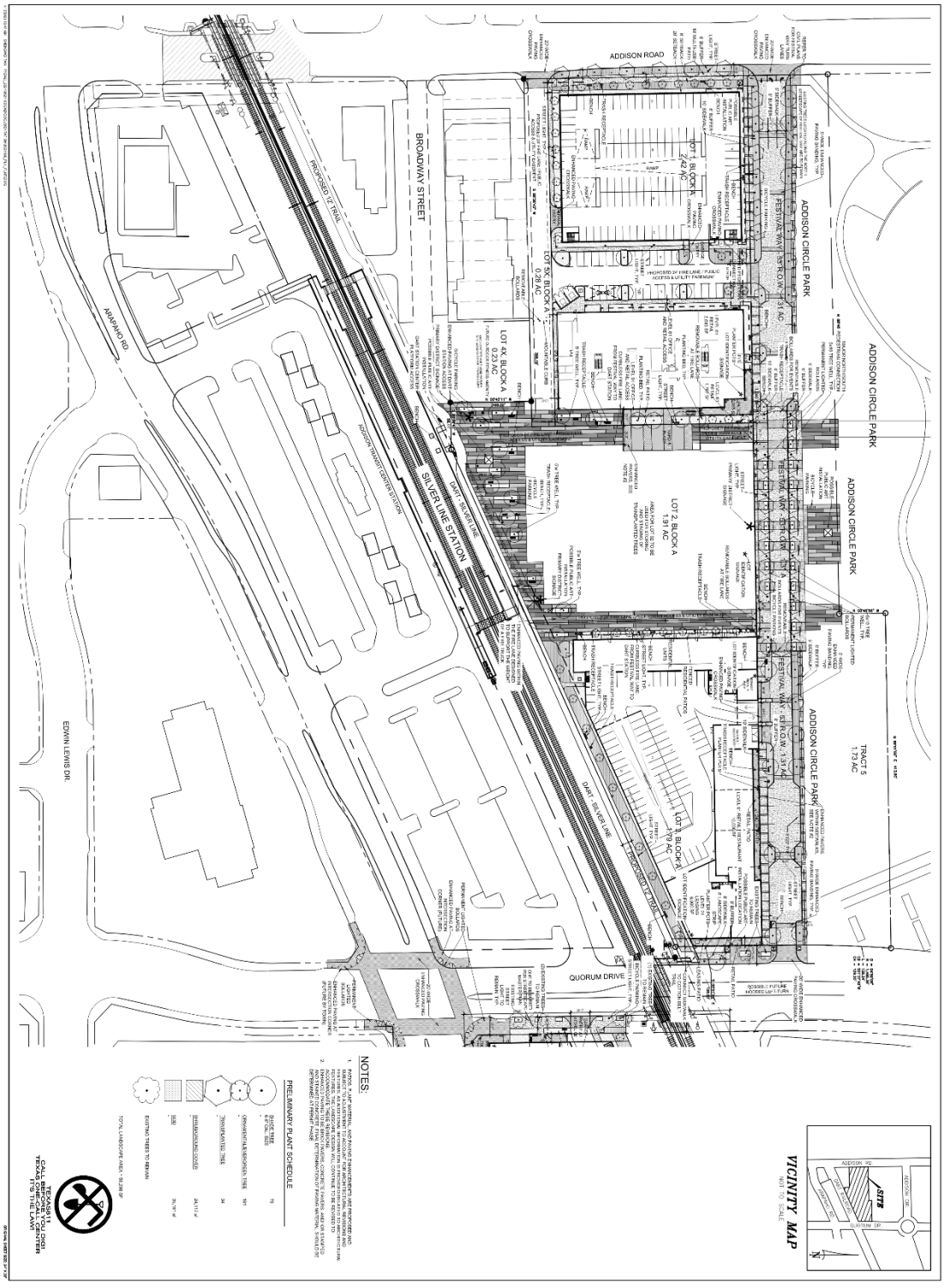

ADDISON ROAD
ADDISON CIRCLE PARK
BROADWAY STREET
SILVER LINE STATION
DART SILVER LINE
QUORUM DRIVE
EDWIN LEWIS DR.
ARAPAHO RD
PROPOSED 12' TRAIL
LOT 1, BLOCK K 2.42 AC
LOT 6X, BLOCK A 0.28 AC
LOT 4X, BLOCK A 0.23 AC
LOT 2, BLOCK A 1.91 AC
LOT 1, BLOCK A 1.79 AC
TRACT 5 1.73 AC
FESTIVAL WAY
VICINITY MAP
NOTES:
PRELIMINARY PLANT SCHEDULE
REVISION / ISSUANCE
ADDISON CIRCLE STATION PHASE I
CONCEPTUAL LANDSCAPE PLAN (WEST)
L6-00

EXHIBIT C

QUORUM DRIVE
ARAPAHO ROAD
SPECTRUM DR.
PROPOSED TX TRAIL
DART SILVER LINE
LOT 1 BLOCK B
2.89 AC
VICINITY MAP
NOT TO SCALE
SITE
ADDISON CIRCLE STATION PHASE I
ADDISON, TX
CONCEPTUAL LANDSCAPE PLAN (EAST)
L6-01
LandDesign.

EXHIBIT D

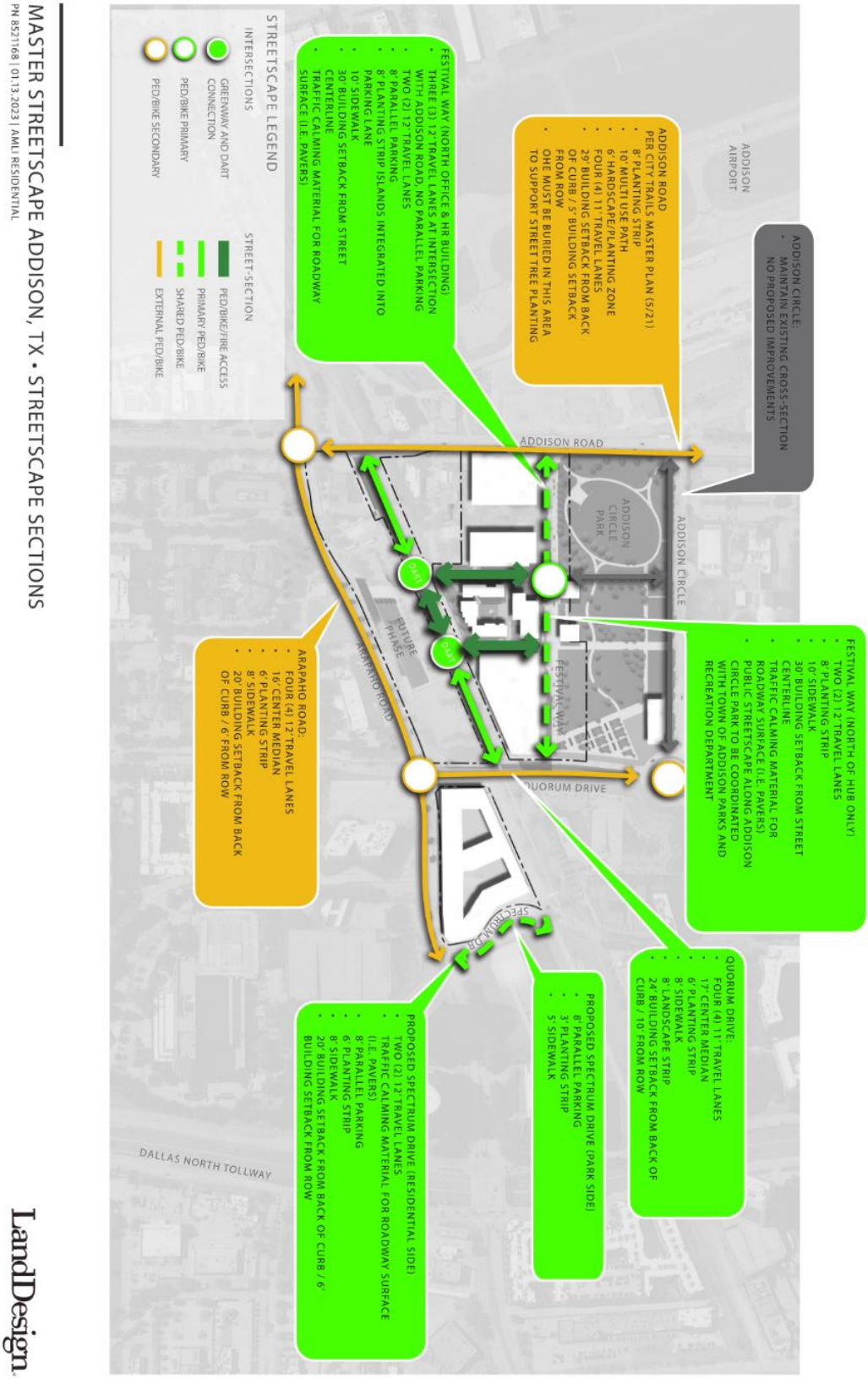
MASTER STREETSCAPE PLAN

MASTER STREETSCAPE ADDISON, TX • PEDESTRIAN AND BICYCLE HIERARCHY

PN 85211168 | 01.13.2023 | AMLI RESIDENTIAL

LandDesign.

EXHIBIT D



MASTER STREETSCAPE ADDISON, TX • STREETSCAPE SECTIONS

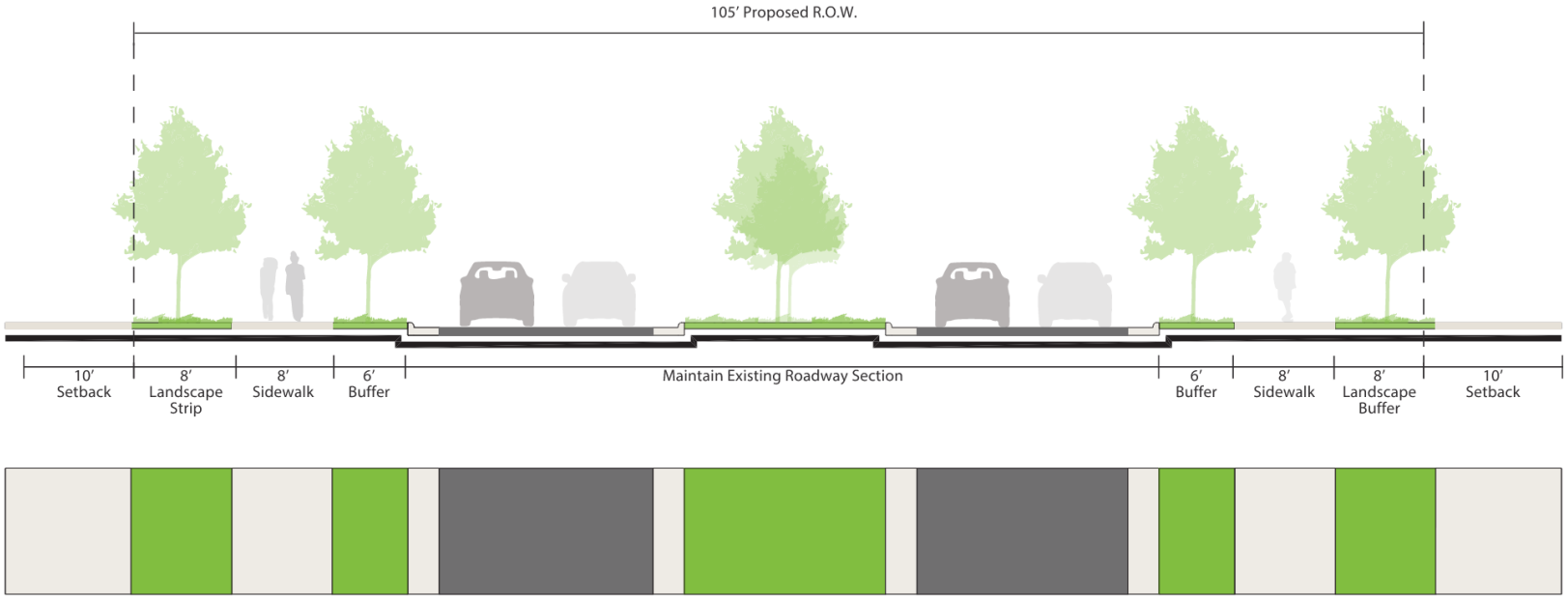
PN 8521168 | 01.13.2023 | AMLI RESIDENTIAL

LandDesign.

EXHIBIT D

QUORUM DRIVE

- Overhead Electrical Lines (OHE) to be buried on east side of Quorum Drive.



ADDISON STREETSCAPE ADDISON, TX • STREETSCAPE SECTIONS

PN 8521186 | 01.13.2023 | AMLI RESIDENTIAL

LandDesign.

Town of Addison, Texas
Ordinance No.
Case No. 1860-Z/Addison Circle Station – Phase I

EXHIBIT D

SPECTRUM DRIVE
• Recommended that the Driving Surface of Spectrum Drive be treated with a paving material (i.e.) brick pavers for additional traffic calming
• Integrate staggered landscape islands within parking to further calm traffic
• Sidewalk location and buffer width along east side of Spectrum Drive is subject to revisions based on final design of Spectrum Park.
Residential Side
62' Proposed R.O.W.
Park Side
6' Setback
8' Sidewalk
6' Buffer
8' Parking
12' Travel Lane
12' Travel Lane
8' Parking
3' Buffer
5' Sidewalk
ADDISON STREETSCAPE ADDISON, TX • STREETSCAPE SECTIONS
PN 85211.86 | 01.13.2023 | AMLI RESIDENTIAL
LandDesign.

EXHIBIT D

ARAPAHO ROAD
92' Proposed R.O.W.
8' Sidewalk
6' Buffer
Maintain Existing Roadway Section
+/- 10' Sidewalk Buffer
6' Setback
ADDISON STREETSCAPE ADDISON, TX • STREETSCAPE SECTIONS
PN 8521186 | 01.13.2023 | AMLI RESIDENTIAL
LandDesign.

EXHIBIT D

ADDISON ROAD
• Bury existing OHE below 8' buffer strip and multi-use path
76' Proposed R.O.W.
Maintain Existing Roadway Section
8' Buffer
10' Multi-Use Path
6' Buffer
5' Setback
ADDISON STREETSCAPE ADDISON, TX • STREETSCAPE SECTIONS
PN 8521186 | 01.13.2023 | AMLI RESIDENTIAL
LandDesign

EXHIBIT D

FESTIVAL WAY

- Block to the north of The Hub only
- Recommended that the driving surface be treated with a paving material (i.e brick pavers) for additional traffic calming
- Block is intended to be a speed table/table top condition to reduce traffic speeds for pedestrian safety.

ADDISON STREETSCAPE ADDISON, TX • STREETSCAPE SECTIONS

PN 85211186 | 01.13.2023 | AMLI RESIDENTIAL

LandDesign

EXHIBIT D

FESTIVAL WAY
• Block to the north of office and high rise development only
• Planting strip can fall in line with the parallel parking spaces
• Recommended that the driving surface be treated with a paving material (i.e. brick pavers) for additional traffic calming
5' Sidewalk
8' Buffer
12' Travel Lane
12' Travel Lane
8' Buffer
10' Sidewalk
30' Building setback from street centerline
ADDISON STREETSCAPE ADDISON, TX • STREETSCAPE SECTIONS
PN 8521186 | 01.13.2023 | AMLI RESIDENTIAL
LandDesign

EXHIBIT D

FESTIVAL WAY
• Intersection of Festival Way and Addison Road
• No parallel parking spaces
• Recommended that the driving surface be treated with a paving material (i.e. brick pavers) for additional traffic calming
5' Sidewalk
8' Buffer
12' Travel Lane
12' Travel Lane
12' Travel Lane
12' Travel Lane
8' Buffer
10' Sidewalk
30' Building setback from street centerline
ADDISON STREETSCAPE ADDISON, TX • STREETSCAPE SECTIONS
PN 8521186 | 01.13.2023 | AMLI RESIDENTIAL
LandDesign.

EXHIBIT D

PED/BIKE/FIRE ACCESS

- Access points to the east and west of the entertainment block
- Recommended that the driving surface be treated with a paving material (i.e. concrete pavers, enhanced hardscape) to relate to the pedestrian intent

ADDISON STREETSCAPE ADDISON, TX • STREETSCAPE SECTIONS

PN 8521186 | 01.13.2023 | AMLI RESIDENTIAL

LandDesign

EXHIBIT D

PED/BIKE/FIRE ACCESS

- Trail adjacent to Rail Corridor at Lot 03, Block A
- Access points to the east and west of the entertainment block
- Recommended that the driving surface be treated with a paving material (i.e. concrete pavers, enhanced hardscape) to relate to the pedestrian intent

ADDISON STREETSCAPE ADDISON, TX • STREETSCAPE SECTIONS

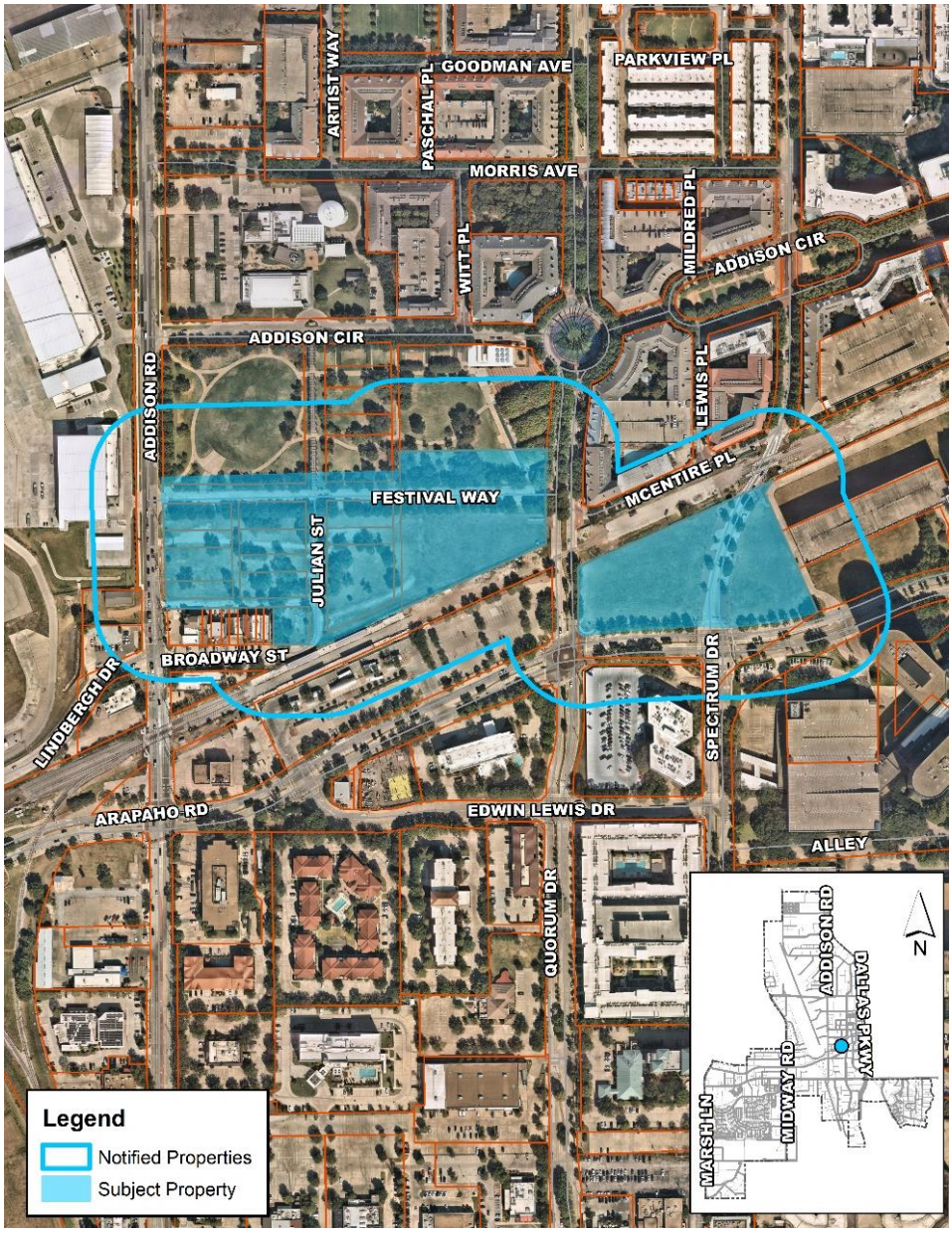
PN 8521186 | 01.13.2023 | AMLI RESIDENTIAL

LandDesign.

1860-Z

PUBLIC HEARING Case 1860-Z/Addison Circle Station - Phase I. Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance Rezoning 13.7 Acres generally located at the Southeast Corner of Addison Road and Festival Way and the Northeast Corner of Quorum Drive and Arapaho Road, from Commercial-1 (C-1), Planned Development (PD), and Urban Center (UC), to a new Planned Development (PD) Zoning District, to Allow a Transit-Oriented Mixed Use Development Comprised of Multifamily Residential, Office, Parking, Restaurant, Retail, and Entertainment Uses, and Associated Public and Private Open Space and Common Areas, Through the Approval of a Concept Plan and Development Standards.

LOCATION MAP



January 17, 2023

STAFF REPORT

RE:	1860-Z/Addison Circle Station - Phase I
LOCATION:	13.7 acres generally located at the southeast corner of Addison Road and Festival Way and the northeast corner of Quorum Drive and Arapaho Road
REQUEST:	Rezoning of 13.7 acres from Commercial-1 (C-1), Planned Development (PD), and Urban Center (UC) District to a new Planned Development (PD) Zoning District to allow for a transit-oriented mixed use development comprised of multifamily residential, office, parking, restaurant, retail, and entertainment uses, and associated public and private open space and common areas, through the approval of a concept plan and development standards.
APPLICANT:	Joe Bruce, AMLI Development Company, Brad Dornak, Stream Realty Partners, and the Town of Addison

DISCUSSION:

Background: For more than three decades, the Town leadership has been anticipating the arrival of DART rail service in Addison. In preparation for its arrival, the Town has been acquiring property near the station and planning its use as part of a major transit-oriented development project. In 2018, the City Council adopted a plan that identified the vision and development principles for the property surrounding the contemplated DART rail stop and including DART's property as well. To begin implementation of that vision, The Town took the following actions:

- In 2020, the Town hired Cushman and Wakefield to serve as real estate advisors for the process that would select a master developer.
- In October of 2020, the City Council appointed a three member subcommittee to serve with Town staff and Cushman and Wakefield on a Selection Committee to guide the solicitation of qualified developers through a Request for Proposals (RFP) process.
- In April 2021, an RFP was released to the development community.
- In June 2021, the City Council approved an Interlocal Agreement with DART to include its station area property in the development.

Ultimately five development teams submitted proposals. After review of all five proposals, the Selection Committee recommended that the City Council narrow the candidates to two finalists that would further refine and submit development concepts for consideration.

At its March 22, 2022, meeting, the City Council made a motion to advance the development team of AMLI Residential and Stream Realty Partners (Co-Developers) as the lone finalist to become the master developer for the Town's transit-oriented development project in the Addison Circle area, subject to the successful negotiation of the final definitive agreements that will govern the project. The Council also directed the City Manager to negotiate a Memorandum of Understanding (MOU) between the Town and Co-Developers that outlines important terms and conditions that will be part of the final agreements.

Since the April 12, 2022 adoption of the MOU, which resulted in a minimum investment commitment of $472 million for the project, the Co-Developers have worked with Town Staff to advance a rezoning request for the 1st phase of this project and to execute required amendments to the original MOU (1st Amendment, 2nd Amendment). This 1st phase includes approximately 13.7 acres of Town owned property generally located at the southeast corner of Addison Road and Festival Way and the northeast corner of Quorum Drive and Arapaho Road. This property is bordered by Festival Way, Addison Circle Park, and DART right-of-way to the north, DART right-of-way and Arapaho Road to the south, Addison Road to the west, and the Millennium Office development to the east. The property is also bisected by Quorum Drive and Spectrum Drive.

This 13.7 acre 1st phase is part of a three phase project envisioned by the Co-Developers and the Town. The 2nd and 3rd phases address the DART property, and will include additional office development, a transit hub with a public parking structure, and a boutique hotel. The Co-Developers will advance entitlements for these phases following establishment of a Master Lease Agreement between the Town and DART. This agreement will allow the Town to sub-lease the DART property to the Co-Developers to execute those phases of the development.

With this request, the Town and Co-Developers proposes to rezone the property from Commercial-1 (C-1), Planned Development (PD), and Urban Center (UC) District to a new Planned Development (PD) Zoning District to implement a vision for a transit-oriented mixed use development comprised of multifamily residential, office, parking, restaurant, retail, and entertainment uses, and associated public and private open space and common areas, through the approval of a concept plan and development standards.

Proposed Concept Plan: The programming for the proposed 1st phase of this project is comprised of four primary development components, as well as improvements to the streetscape of Addison Road, Arapaho Road, Festival Way, and Quorum Drive, and the realignment of Spectrum Drive to accommodate a block pattern that is more consistent with the Addison Circle neighborhood.

These four primary development components include:

Stream Office and Parking Structure: The proposed 2.4 acre Lot 1, Block A is comprised of a 6-story office building accommodating a minimum of 160,000 square feet of office floor area, and 3,500 square feet of retail/restaurant space and a patio at the ground floor engaging Festival Way and the planned retail/restaurant/entertainment node to the east. To the west of the office building, a 5-level, 623± space public parking structure will be constructed at the intersection of Addison Road and Festival Way.

Access to the parking structure will be provided from the 0.28 acre Lot 5X, Block A, which will comprise a reconstructed street that will also provide rear access to adjacent properties to the south, and from a drive aisle connecting to Festival Way, that also accommodates a small amount of on-street visitor parking. The 0.23 acre Lot 4X, Block A will be programmed by the Co-Developers to accommodate a fitness theme, which will capitalize on its direct access to the future Cottonbelt trail. Future programming is anticipated to include an outdoor fitness court, a pavilion, and a multipurpose space that may accommodate a pickleball court or other active programming.

Retail/Restaurant/Entertainment Node: The proposed 1.9 acre Lot 2, Block A is comprised of 25,000 square feet of building floor area supporting food, retail, and entertainment-oriented uses integrated with and organized around an intimate civic space and pedestrian paths that visually and physically connect with Festival Way, Addison Circle Park, and the Silver Line Station. This concept also envisions the opportunity for an additional 5,500 square feet of building floor area to frame and activate the northern edge of Addison Circle Park, allowing for a very pedestrian focused treatment of Festival Way at this focal point of the development.

AMLI Tower: The proposed 1.8 acre Lot 3, Block A is comprised of a 13-story multifamily residential tower accommodating a minimum of 240 and a maximum of 270 dwelling units, and 10,000 square feet of retail/restaurant space and a patio at the ground floor engaging Festival Way and Quorum Drive. This building wraps and is constructed upon a 5-level podium parking structure that will provide up to 420 parking spaces, inclusive of dedicated retail parking spaces at the ground floor. An amenity deck and green roof will be provided on top of the parking podium, at the 6th floor. Access to the parking structure is provided from Festival Way.

AMLI Midrise: The proposed 2.9 acre Lot 1, Block B is comprised of a 7-story multifamily residential midrise building accommodating a minimum of 410 and a maximum of 470 dwelling units, and 5,000 square feet of retail/restaurant space and a patio at the ground floor engaging Arapaho Road and Quorum Drive. This building wraps and is constructed upon a 3-level podium parking structure that will provide up to 630 parking spaces, inclusive of dedicated retail parking spaces at the ground floor. An amenity deck will be provided on top of the parking podium, at the 4th floor. Access to the parking structure is provided from Arapaho Road and Quorum Drive.

With the proposed realignment of Spectrum Drive (0.6 acre right-of-way dedication) at this location, a new public open space opportunity was established through the proposed 0.4 acre Lot 1X, Block C. This space is anticipated to be programmed as a passive space with elevated landscape, public art, and walking paths.

Phasing Plan: In accordance with the executed MOU between the Town and Co-Developers, construction of private and public site infrastructure and the proposed office building and parking structure will commence in the Fall of 2023. Open space lot 4X, Block A will be constructed concurrent to the office building and both features are anticipated to be completed in the Fall of 2025. The proposed residential tower will commence construction in the Winter of 2024 and is anticipated to be completed by the end of 2026. The proposed residential midrise building will commence construction in the Fall of 2024 and is anticipated to be completed by the end of 2026. Open space lot 1X, Block C will be constructed concurrent to the midrise building. The proposed retail/restaurant/entertainment node will commence construction in the Fall of 2025, following recruitment of a developer/operator and acquisition of development entitlements for the

envisioned concept. It is anticipated that this component will be completed concurrently or shortly after the completion of the two residential buildings.

Building Character: The proposed building character for this project is reflective of the stated goals of the Town's RFP process where a minimum building height of 6 stories and a minimum residential density of 60 units per acre was desired. Between Addison Road and Quorum Drive, the office and multifamily buildings increase in scale from west to east as height restrictions associated with proximity to the Addison Airport become less restrictive. A 13 story tower, which would become the tallest residential building in Addison, is situated at the corner of Festival Way and Quorum Drive. This prominent building will serve as an architectural focal point for Addison Circle and would be a prominent addition to the Addison skyline.

With this being a walkable urban mixed use district, building design at the street level is critical, particularly at the Festival Way street frontage. Ground floor retail space is provided at prominent street frontages at all proposed buildings and these spaces are appropriately accommodated with higher ceiling heights, patios, canopies, and extensive glazing to create a visually interesting streetscape. Smaller, more human scale buildings are envisioned at the retail/restaurant/entertainment node to best support social interaction and the establishment of a new gathering space that visually and physically connects with Festival Way, Addison Circle Park, and the Silver Line Station.

Consistent with Addison Circle, masonry and glazing are the dominant building materials utilized with this project, and a mixed palette of light and dark colors provide distinctive transitions throughout the project. With the exception of the freestanding parking structure adjacent to Addison Airport, all parking structures are fully screened from view from the surrounding primary street network. The freestanding parking structure is cladded with enhanced masonry and screening elements, and a mural, to ensure compatibility with the Addison Circle neighborhood.

Landscape Character/Open Space and Trails: With the Town's vision for this urban neighborhood, the landscape character for this project is primarily defined by the urban streetscapes that will be accommodated within the site. This is most prominently reflected through the provision of street trees along all street frontages, base landscape at buildings, and other unique treatments such as planters and public art. Additional gathering space will be provided at the core of the project - the planned retail/restaurant/entertainment node – and at the eastern edge of the realigned Spectrum Drive.

Land is reserved at the southern edge of the project to accommodate construction of the 12 foot wide Cottonbelt Trail, and new pedestrian only connections will be provided between Festival Way and the Cottonbelt Trail/Silver Line Station. Sidewalks throughout this project will be prominent - ranging from 6 – 10 feet in width - and will be shaded and buffered from the street by street trees.

Streetscapes: In accordance with the MOU between the Town and Co-Developers, a master streetscape plan for this project has been prepared and will be included with consideration of this rezoning request. This plan provides design standards for each street section within the TOD, by defining the number of travel and on-street parking lanes for each street and establishing the width and typical design of sidewalks, street tree planting and amenity zones. Consistent with the existing character of Addison Circle, masonry paving materials are used extensively throughout the project to provide unique design treatments along sidewalks and at intersections. Most prominently, Festival Way transitions to a curbless street in front of the planned

retail/restaurant/entertainment node. This would allow this area to serve a prominent role as a potential event space.

Parking: For this new Planned Development District (PD), the applicant proposes to meet the Urban Center (UC) zoning district parking standards. These are the parking standards that apply to the existing Addison Circle neighborhood. Additionally, the MOU between the Town and Co-Developers requires completion of a parking study to determine shared parking needs to support the planned retail/restaurant/entertainment node, and other proposed retail spaces. Most prominently, shared parking will be achieved through the proposed public parking structure at the western edge of the project. This parking structure will serve office and retail tenants during weekdays and will be used primarily for retail tenants in the evening and on weekends. Each multifamily building will also accommodate retail parking at the ground floor. The final quantity of dedicated retail parking in these structures as well as the planned operation of the public parking structure will be definitively defined by the required parking study and the definite agreements between the Town and Co-Developers.

Additional shared parking opportunities will be possible in the 2nd phase of the project, where a transit hub and public parking structure will be constructed.

Compliance with Town Land Use and Development Policies: In considering rezoning requests, it is important for Town leadership to utilize the Town's long range planning documents to evaluate compliance with Town land use and development policies. Most notably for this request, this includes consideration of the Town's Comprehensive Plan, the Addison Circle Special Area Study, and the Addison Housing Policy. Key considerations include:

2013 Comprehensive Plan and the Addison Circle Special Area Study
In December 2017, the Town initiated the Addison Circle Special Area Study. This long range planning process included feedback from two community workshops, interviews with key stakeholders including local residents and property owners, and direction and guidance from a Special Project Committee appointed by the City Council.

The study addresses two individual study areas: Addison Central, located along the future Silver Line, north of Arapaho Road, and Addison Circle West, located along the western edge of the existing Addison Circle district, east of Addison Road and south of Airport Parkway. In February 2019, the City Council amended Addison's Comprehensive Plan to adopt the findings of the Addison Circle Special Area Study.

Study Compliance Considerations
This proposed rezoning request meets the intent of this study and complies with the vision, guiding principles, and strategic direction envisioned for this area. Most prominent areas of study alignment include:

1. Vision: This request furthers the Town's goal of being a major destination on the Silver Line, and enhancing Addison Circle's reputation as a desirable place to live, work and play, and strengthening the Town's tax base.

2. Guiding Principles: This request aligns with the guiding principles of this study by maintaining and extending the character of the Addison Circle neighborhood, respecting the physical constraints of Addison Airport, accommodating transit-oriented development that maximizes the benefit of transit, achieving elevated streetscape and

civic space design to support a pedestrian friendly environment, and achieving substantial private investment while minimizing public subsidy.

3. Strategic Direction: This request aligns with the strategic direction by providing a mix of uses that is both unique and thoughtfully integrated by this proposed concept plan. This request will ensure that Addison Station will be a prominent destination in the Silver Line corridor, providing a prominent pedestrian connection between the station area and Addison Circle Park. Finally, this request achieves the Town's desired economic yield and will help the Town fund needed services, infrastructure, and facility maintenance.

Addison Housing Policy

In order to help guide future housing decisions, the City Council adopted a Housing Policy in 2015 and amended it in early 2017. Components of the policy are provided below:

1. Where feasible and appropriate, new housing should increase the proportion of fee simple ownership in Addison's housing mix. Apartment-only rezoning is unlikely to be approved, as currently the ratio of rental to ownership properties is higher than desired.
2. A proposal should offer a 'best fit' mix of uses and housing choices within the context of the surrounding Addison community. The Town may use a study area committee (with staff, elected, and appointed members such as area residents and business representatives) to evaluate a proposal's fit in Addison.
3. New housing should create or enhance neighborhoods of urban character rather than locate on a stand-alone, nonintegrated property and should continue the high quality design and walkability that make Addison's existing neighborhoods distinctive.
4. Proposals for independent and/or assisted living may be considered by the Town of Addison. Since there are no assisted living housing units in Addison today, the Town will conduct research to understand how this housing could or should be included in Addison's future.
5. The City Council acknowledges that there may be exceptional projects that do not comply with elements of this policy. The Council encourages developers and staff to pursue projects that represent the highest and best use of each property and that advance portions of this policy or other Town goals.

This proposal does not achieve the goal of "increasing the proportion of fee simple ownership in Addison" that is called for in the first component of the Housing Policy. Throughout DFW, transit station areas have not typically attracted ownership housing in close proximity to rail stations. This market trend largely results from transit station areas being the most urban, densely developed districts in our communities. While ownership housing is an important component of a thriving mixed use district, ownership housing developers are far more sensitive to location and the level of activity in the immediate area. This trend continued with the Town's RFP process, as none of the five master developer proposers included ownership housing in their development proposals.

As the most urban area in Addison, immediately adjacent to the Town's Special Events and most prominently utilized public open space, Addison Circle Park, multifamily rental housing achieving the scale and density of this proposal is the most appropriate housing treatment for

this site. This proposal complies with the Addison Housing Policy by achieving a true mixed-use development that enhances an existing neighborhood of urban character. The scale, density, and architectural treatment exceeds the quality of similar projects in the region and represents the highest and best use of a challenging development site.

For additional information on local and regional housing considerations, the Town of Addison Housing FAQ is an available resource.

Development Impacts: In the review of this rezoning request, assessment of anticipated impacts of the development should be carefully considered. These considerations include:

Residential Compatibility

This development is an extension of Addison Circle, an existing mixed use neighborhood comprised largely of multifamily rental housing, with employment uses at the Dallas Parkway frontage. A substantial cluster of townhome and multifamily ownership housing exists between Morris Avenue and Airport Parkway, and includes the Townhomes of District A, Aventura, and Meridian Square.

The uses, housing types, and building form of this proposal are consistent with the Addison Circle neighborhood. Additionally, this development is substantially buffered from the existing neighborhood by the DART right-of-way and Addison Circle Park.

Traffic Generation and Circulation

The Town required the applicant to complete a Traffic Impact Analysis (TIA) to determine what effect the proposed development would have on the roadway network in the near-term and long-term. TIAs are based on traffic engineering standards and best practices, and traffic data assumptions published by the Institute of Transportation Engineers (ITE). The TIA for this project will be conducted in two phases. This first phase focused on analysis of surrounding intersections and proposed site access drives, and on the proposed realignment of a segment of Spectrum Drive between the DART right-of-way and Arapaho Road. The second phase of the TIA, which would be completed during civil engineering plan review, will focus on traffic operations at Silver Line crossings, as well analysis of turn lane improvements on Addison Road and Quorum Drive.

This analysis determined that due to the limited travel demand on Spectrum Drive, there is appropriate capacity in the existing street network to support these minor changes in the traffic pattern. Northbound traffic south of Arapaho Road can utilize Quorum Drive to continue northbound travel through and within the Addison Circle neighborhood. Southbound traffic north of Arapaho Road can utilize Quorum Drive or Dallas Parkway to travel eastbound on Arapaho Road. This roadway realignment is needed to address the irregular, challenging to develop, block pattern created by the current Spectrum Road alignment.

This analysis also concluded that a dedicated left turn lane was required on Festival Way to serve westbound left turns onto Addison Road. Further analysis is required to determine the need for a northbound right-turn lane on Addison Road at Festival Way. While that analysis is still pending, right-of-way will be reserved for that improvement. If the analysis indicates that is needed, the right-turn lane will be constructed with this project.

This analysis was conducted by Bowman Consulting Group. The analysis was reviewed by Town staff and traffic engineers at Kimley-Horn and Associates. Kimley-Horn's traffic engineering group provides traffic engineering and transportation planning services to the

Town, which includes development of the Town's Master Transportation Plan. Based on their review, Kimley-Horn determined that the applicant's traffic impact assessment was accurate.

Utility and Drainage Analysis
At this feasibility stage, the applicant has demonstrated the capacity to connect to the Town's utility network and to mitigate the impacts of any surface runoff generated by this site. If this project is approved, detailed civil engineering plans will be prepared for the proposed connections to the Town's water and sanitary sewer systems, and the required drainage infrastructure needed to convey site generated runoff. The surrounding drainage infrastructure was designed to accommodate this site at fully developed conditions.

Existing Site Encumbrances
With this project, the rear alley that borders this site while also serving the existing Broadway Street properties, will be reconstructed. The adjacent right-of-way for Julian Street will be abandoned and a vehicle turnaround point will be provided at the eastern terminus of Broadway Street, as vehicle traffic further east would conflict with the Cottonbelt trail and the future retail/restaurant/entertainment node. At this location, the Cottonbelt trail will be integrated with an emergency access drive to allow for appropriate access to this development and the northside of the transit platform. New right-of-way would be dedicated to allow for the relocation of utility infrastructure and the construction of the realigned segment of Spectrum Drive.

Addison Airport
Throughout the RFP process, the Town worked with the proposers to ensure compliance with height restrictions and noise compatible land use planning practices required for development that is adjacent to the airport. To address this, the applicants have accommodated building heights that meet the intent of the airport height restrictions. Final compliance will be determined through application for FAA Part 77 review during the building permit review process.

Since the Town's airport noise contours have not been updated since 2007, the Town recently prepared an updated noise model to reflect current and projected airport conditions and to comply with current FAA requirements for noise modeling practices. This modeling resulted in an approximate 450 foot retraction in the 65 DNL noise contour, resulting in the proposed residential uses being well outside of this area of noise hazard. In preparing this analysis, Addison Airport staff and their aviation consultant projected an aggressive 20-year growth trend to definitively confirm that there would be no conflict. The retraction of the noise contour is a direct result of the retirement of older, noisier aircraft that are no longer served by Addison Airport. This analysis will be included in the Town's upcoming Airport Master Plan Update.

Tree Mitigation
To support this dense, compact urban development, the Co-Developers would reconfigure the Festival Way streetscape by eliminating the existing angled parking on the south frontage. This will also necessitate transplanting the existing trees that line the south frontage of Festival Way. These transplanted trees will be used adjacent to the parking structure and to help create a focal point at the Festival Way street section in front of the retail/restaurant/entertainment node. Additional tree mitigation is required for tree removal resulting from the placement of building pads and the realignment of Spectrum Drive. The Co-developers are fully mitigating proposed tree removal through new onsite plantings.

Public Services Capacity
This site is served by Dallas Independent School District (DISD) and given the anticipated demographics of the project, DISD is unlikely to have issues serving this property. This development provides sufficient access for emergency services through its highly accessible location. As rail transit service is established, the presence of this development will have a positive impact on public safety, as it will put "eyes on the street" that result in this area being less vulnerable to loitering and vagrancy.

With its adjacency to Addison Circle Park and the future Cottonbelt trail, as well as the proposed fitness programming and open space proposed with this project, this will be the most highly amenitized development in Addison. The proposed multifamily buildings will include social amenities such as a pool, fitness center, and co-working space. As Town residents, tenants will also have the opportunity to become members of the Addison Athletic Club.

Community Input: In accordance with Town Ordinances and State Statutes, The Town notified adjacent property owners (within 200 feet) and DISD. At the time of packet posting, staff has not received any responses.

Over the last 4 years, The Town gathered community input to develop the Addison Circle Special Area Study, and provided frequent updates regarding the status of the Master Developer RFP process and the resulting development proposal that was agreed to through that process. This public hearing is a culmination of that process.

RECOMMENDATION: **APPROVAL WITH CONDITIONS**

This proposed rezoning request meets the intent of the Addison Circle Special Area Study, the Addison Housing Policy, and associated Town amenity and infrastructure policies. The Co-Developers have presented a development concept consistent with the development proposal that resulted in their selection as the Master Developer for this project. They bring substantial expertise in residential, office, and retail development in mixed use environments and will partner with an additional developer/operator to create a vibrant gathering place to the core of this project, creating a strong connection between the Silver Line Station and Addison Circle Park.

This rezoning request is very different from typical requests, as its nexus is rooted in decades of proactive action from the Town. Beginning with the assembly of land and the creation of the Addison Circle neighborhood, moving forward with the Addison Circle Special Area Study, and ultimately partnering with these Co-Developers to implement the Town's vision and desired level of investment in this property.

This Town project reflects the highest and best use of this land and it will be a fantastic addition to the Addison Circle neighborhood.

Staff recommends approval of the request subject to the following conditions:

- The development is executed in accordance with the attached Concept Plan, Master Streetscape Plan, and Planned Development District (PD) development standards, and the definitive agreements to be negotiated for the project.

- Lot 4X, Block A (fitness programming) will be fully entitled prior to site infrastructure construction commencement and will be completed prior to issuance of a Certificate of Occupancy for Lot 1, Block A (Stream Office).
- Lot 1X, Block C (public open space) will be fully entitled prior to site infrastructure construction commencement and will be completed prior to issuance of a Certificate of Occupancy for Lot 1, Block B (AMLI Mid-Rise).
- Lot 2, Block A will be fully entitled and constructed in accordance with the definitive agreements between the Town and Co-Developers.
- Right-of-Way on Addison Road will be preserved to accommodate a northbound right-turn lane. If final traffic analysis determines a need for this right-turn lane improvement, it should be constructed concurrent to the first phase of this project.
- The final quantity of parking spaces, operation of the public parking structure, and retail parking accommodations in private parking structures, are subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.
- Building permit approval is subject to compliance with FAA Part 77 review for building height and final confirmation of residential building sites being situated outside of the 65 DNL noise contour.

Case 1860-Z/Addison Circle Station – Phase I

January 17, 2023

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on January 17, 2023, voted to recommend approval of an ordinance changing the zoning on property generally located at the southeast corner of Addison Road and Festival Way and the Northeast corner of Quorum Drive and Arapaho Road, which property is currently zoned Commercial-1 (C-1), Planned Development (PD), and Urban Center (UC), to a new Planned Development (PD) zoning district to allow for a transit-oriented mixed use development comprised of multifamily residential, office, parking, restaurant, retail, and entertainment uses, and associated public and private open space and common areas, through the approval of a concept plan and development standards, subject to the following conditions:

- The development is executed in accordance with the attached Concept Plan, Master Streetscape Plan, and Planned Development District (PD) development standards, and the definitive agreements to be negotiated for the project.

- Lot 4X, Block A (fitness programming) will be fully entitled prior to site infrastructure construction commencement and will be completed prior to issuance of a Certificate of Occupancy for Lot 1, Block A (Stream Office).

- Lot 1X, Block C (public open space) will be fully entitled prior to site infrastructure construction commencement and will be completed prior to issuance of a Certificate of Occupancy for Lot 1, Block B (AMLI Mid-Rise).

- Lot 2, Block A will be fully entitled and constructed in accordance with the definitive agreements between the Town and Co-Developers.

- Right-of-Way on Addison Road will be preserved to accommodate a northbound right-turn lane. If final traffic analysis determines a need for this right-turn lane improvement, it should be constructed concurrent to the first phase of this project.

- The final quantity of parking spaces, operation of the public parking structure, and retail parking accommodations in private parking structures, are subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.

- Building permit approval is subject to compliance with FAA Part 77 review for building height and final confirmation of residential building sites being situated outside of the 65 DNL noise contour.

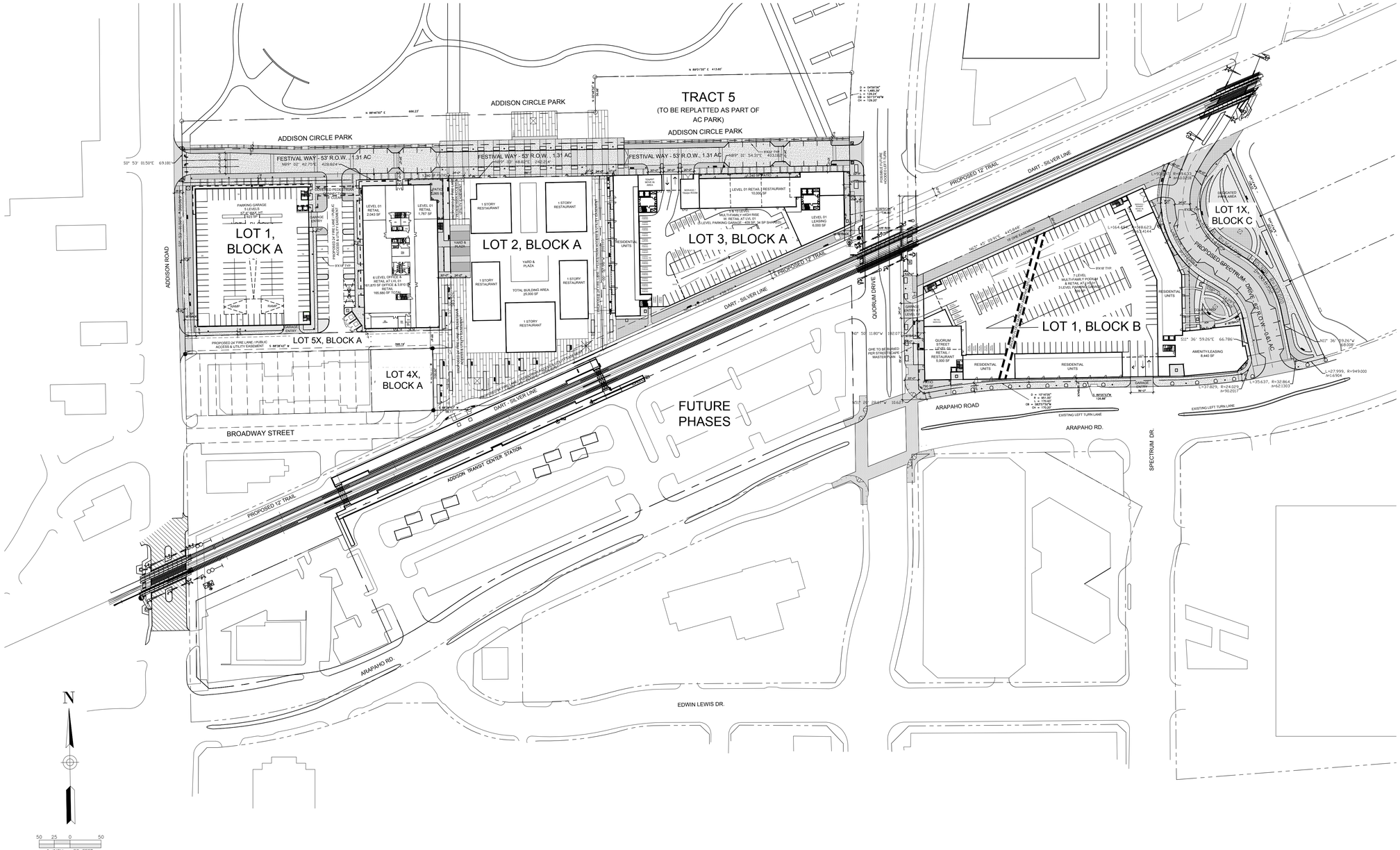
Voting Aye: Branson, Catalani, Craig, Faircloth, Fansler, Souers, DeFrancisco
Voting Nay: none
Absent: none

SPEAKERS AT THE PUBLIC HEARING:

For: Joe Pedroza, 15787 Spectrum Drive

On: Holly Mentler, 4819 Broadway Street
Dino Sideris, 15404 Addison Road

Against: David Collins, 14668 Wayside Court
Mike O'Neal, 5021 Morris Avenue



Site Data Summary Table

BLOCK	Block A					Block B	Block C	Tract 5	Festival Way ROW Dedication	Spectrum Drive ROW Dedication
LOT NO.	Lot 1	Lot 2	Lot 3	Lot 4X	Lot 5X	Lot 1	Lot 1X	-	-	-
LAND USE	Office/Retail/Restaurant/Public Parking Structure	Retail/Restaurant/Entertainment	Multifamily/Retail/Restaurant	Public Open Space Amenity	Site Access	Multifamily/Retail/Restaurant	Public Open Space Amenity	Retail/Restaurant/Entertainment/Public Open Space	Public Street	Public Street
LOT AREA (AC/SF)	2.42 AC / 105,428 SF	1.91 AC / 83,443 SF	1.79 AC / 77,957 SF	0.23 AC / 9,930 SF	0.28 AC / 12,414 SF	2.88 AC / 125,731 SF	0.44 AC / 19,263 SF	1.73 AC / 75,254 SF	1.31 AC / 56,931 SF	0.61 AC / 26,676 SF
BUILDING COVERAGE (SF/%)	26,654 SF / 25.28 %	25,000 SF / 29.96 %	61,738 SF / 79.19 %			101,125 SF / 80.43 %				
LANDSCAPE AREA (SF/%)	7,800 SF / 7.75 %	1,357 SF / 1.63 %	5,833 SF / 7.48 %			12,707 SF / 10.13 %				
BUILDING HEIGHT (STORIES/FEET)	6 STORIES MAX / 100' MAX	1 STORY MAX / 25' MAX	13 STORIES MAX / 168' MAX			7 STORIES MAX / 77' MAX				
BUILDING FLOOR AREA (SF, GROSS)	165,680 SF	25,000 SF / 29.96 %	405,380 SF			469,500 SF				
UNIT COUNT			270 UNITS			412 UNITS				
PARKING RATIO	4/1000		1 / BR			1 / BR				
REQUIRED PARKING	OFFICE = 1/300, RET. = 1/250, REST. = 1/100	1/100	420 SP			562 SP				
PROVIDED PARKING (GARAGE / AT GRADE)	623 SP / 39 SP	SHARED IN OFFICE GARAGE	421 SP			608 SP				

ADDISON CIRCLE STATION
PHASE 1

OWNER/APPLICANT:

AMLI RESIDENTIAL
ATT. JOE BRUCE
5057 KELLER SPRINGS RD.
ADDISON, TX 75001
PH 972-265-6792

STREAM REALTY
ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-267-0477

ISSUE / REVISION LOG

DATE	DESCRIPTION	

OBRIEN
STEFAN HAESSIG
1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com

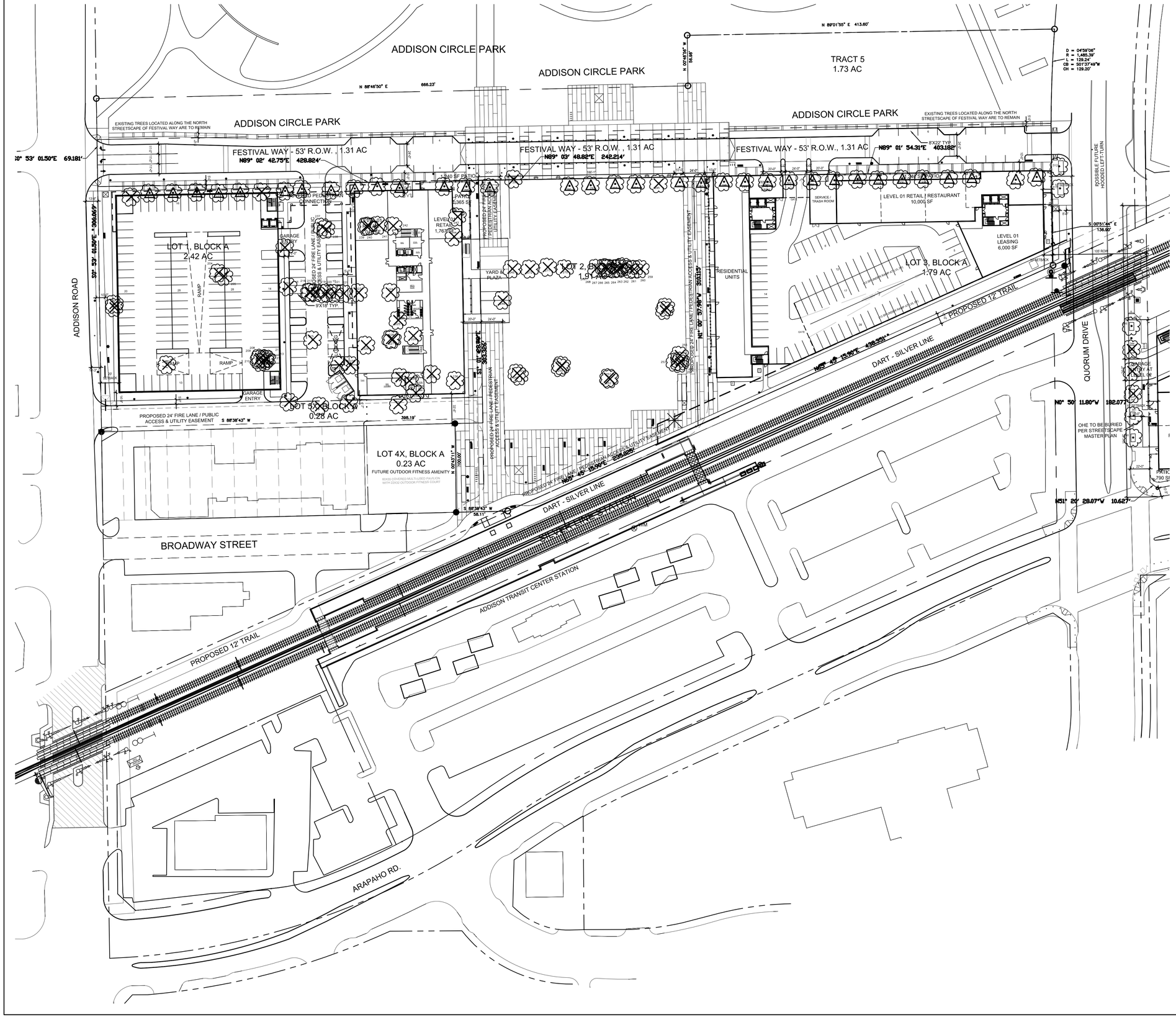
TOWN PROJECT NUMBER: 1860-Z
ADDISON CIRCLE STATION
LOT 1-3, 4X, 5X,BLOCK A
LOT 01, BLOCK B
LOT 1X, BLOCK C
TRACT 5
G.W. FISHER SURVEY, ABSTRACT NO.482
13.7 ACRES
TOWN OF ADDISON, COUNTY OF DALLAS, STATE OF TEXAS

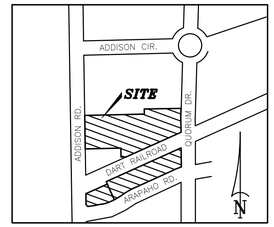
DATE:	ARCH. PROJ. #:	SCALE:
01-11-23	202162	1"=80'-0"

SHEET NO.

A001
CONCEPT PLAN

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VICINITY MAP
NOT TO SCALE

NOTES:

1. ANY TREES THAT FAIL TO SURVIVE THE TRANSPLANT PROCESS WILL NEED TO BE FULLY MITIGATED THROUGH 6-8" CALIPER TREE PLANTINGS ON SITE, OR WHERE NOT FEASIBLE AND APPROVED BY DIRECTOR, THROUGH AN EQUIVALENT CONTRIBUTION TO THE TREE MITIGATION FUND.

LEGEND

- EXISTING TREE TO BE PRESERVED
- EXISTING TREE TO BE REMOVED
- EXISTING TREE TO BE TRANSPLANTED

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WWW.LANDDESIGN.COM

KEY MAP

SEAL

PRELIMINARY
FOR REVIEW PURPOSES ONLY AND SHALL NOT BE USED FOR BIDDING, PERMITTING, OR CONSTRUCTION.

C. Heth Kendrick
Registered Landscape Architect of the State of TEXAS

Registration Number: 2948

PROJECT

ADDISON CIRCLE STATION

AMLI RESIDENTIAL

ADDISON, TX

LANDDESIGN PROJ.#
8521186

REVISION / ISSUANCE

NO.	DESCRIPTION	DATE
	TOWN REVISIONS	11.18.2022
	TOWN REVISIONS	12.29.2022
	TOWN REVISIONS	01.13.2023

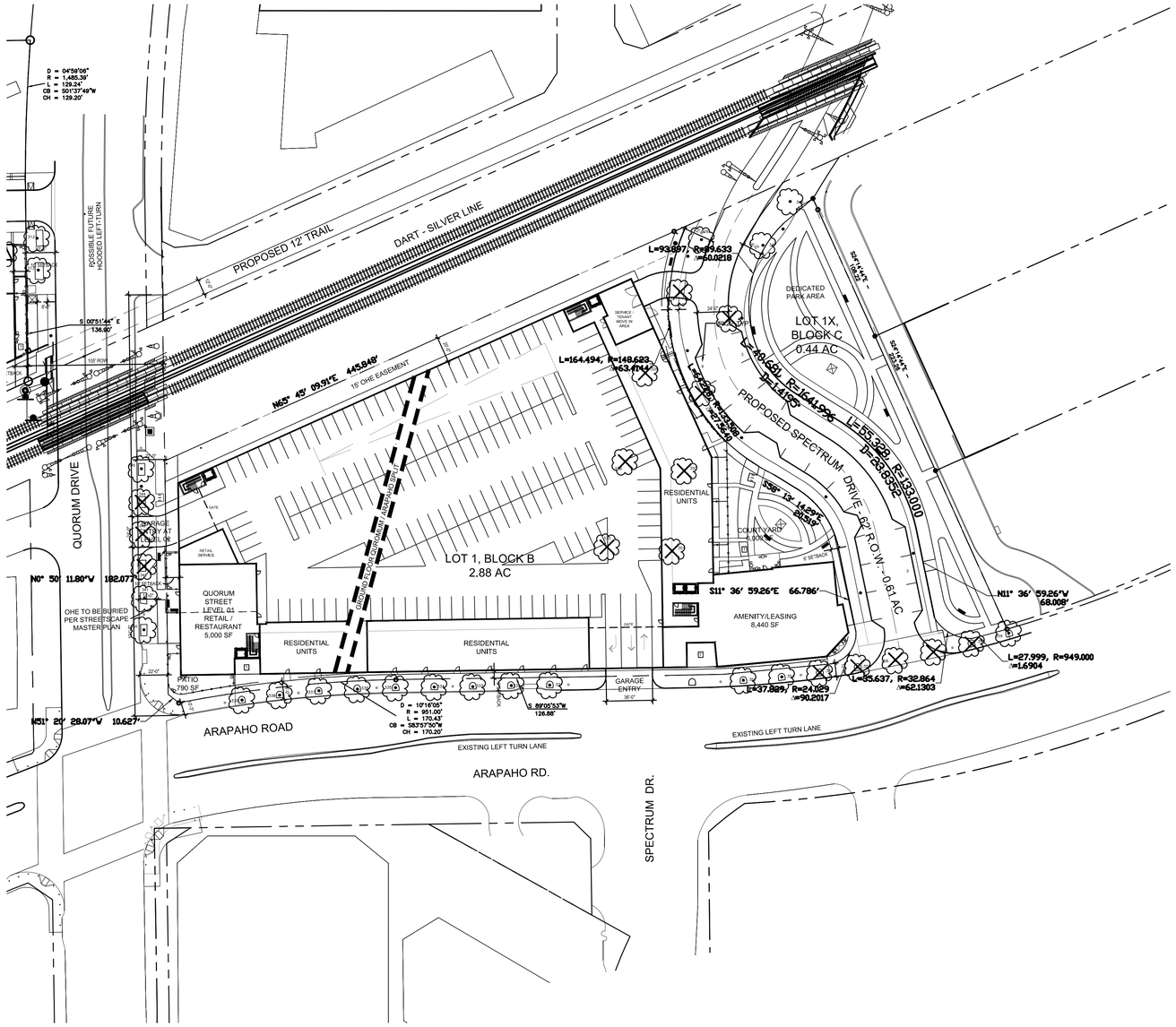
DESIGNED BY: XX
DRAWN BY: XX
CHECKED BY: XX

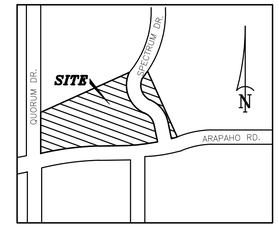
SCALE
VERT: N/A
HORZ: 1"=50'
0 25' 50' 100'

NORTH

SHEET TITLE
TREE SURVEY (WEST)

SHEET NUMBER
L6-02





VICINITY MAP
NOT TO SCALE

NOTES:

1. ANY TREES THAT FAIL TO SURVIVE THE TRANSPLANT PROCESS WILL NEED TO BE FULLY MITIGATED THROUGH 6-8" CALIPER TREE PLANTINGS ON SITE, OR WHERE NOT FEASIBLE AND APPROVED BY DIRECTOR, THROUGH AN EQUIVALENT CONTRIBUTION TO THE TREE MITIGATION FUND.

TREE PRESERVATION CALCULATIONS

TOTAL CAL. (INCH)	1,890
TOTAL CAL. (INCH) TO BE TRANSPLANTED	386
TOTAL CAL. (INCH) REMOVED - UNPROTECTED (CHINA BERRY, HACKBERRY)	719
TOTAL CAL. (INCH) REMOVED - PROTECTED	502
TOTAL CAL. (INCH) PRESERVED	283
REQUIRED MITIGATION (INCH) - PROTECTED TREES	502
REPLACED (78) SHADE TREES @4" CAL. MIN	312
REPLACED (91) ORNAMENTAL TREES @2.5-3" CAL. MIN	253
TOTAL MITIGATION PROVIDED (INCH)	565
REMAIN MITIGATION NEEDED (INCH)	0

TREE TABLE

TAG#	CAL. IN	COMMON NAME	STATUS	MITIGATION IN
201	13 IN	CHINA BERRY	REMOVE	0
202	18 IN	CHINA BERRY	REMOVE	0
203	24 IN	CEDAR ELM	REMOVE	24 IN
204	12 IN	HACKBERRY	REMOVE	0
205	30 IN	HACKBERRY	REMOVE	0
206	15 IN	HACKBERRY	REMOVE	0
207	20 IN	HACKBERRY	REMOVE	0
208	10 IN	HACKBERRY	REMOVE	0
209	6 IN	HACKBERRY	REMOVE	0
210	9 IN	HACKBERRY	REMOVE	0
211	6 IN	HACKBERRY	REMOVE	0
212	6 IN	HACKBERRY	REMOVE	0
213	8 IN	HACKBERRY	REMOVE	0
214	24 IN	HACKBERRY	REMOVE	0
215	18 IN	HACKBERRY	REMOVE	0
216	8 IN	HACKBERRY	REMOVE	0
217	11 IN	HACKBERRY	REMOVE	0
218	9 IN	HACKBERRY	REMOVE	0
219	9 IN	AMERICAN ELM	REMOVE	9 IN
220	14 IN	CEDAR ELM	REMOVE	14 IN
221	8 IN	HACKBERRY	REMOVE	0
222	9 IN	HACKBERRY	REMOVE	0
223	10 IN	HACKBERRY	REMOVE	0
224	10 IN	CEDAR ELM	REMOVE	10 IN
225	10 IN	HACKBERRY	REMOVE	0
226	32 IN	AMERICAN ELM	REMOVE	32 IN
227	8 IN	HACKBERRY	REMOVE	0
228	10 IN	HACKBERRY	REMOVE	0
229	10 IN	HACKBERRY	REMOVE	0
230	22 IN	AMERICAN ELM	REMOVE	22 IN
231	12 IN	HACKBERRY	REMOVE	0
232	8 IN	HACKBERRY	REMOVE	0
233	8 IN	HACKBERRY	REMOVE	0
234	10 IN	HACKBERRY	REMOVE	0
235	20 IN	AMERICAN ELM	REMOVE	20 IN
236	14 IN	HACKBERRY	REMOVE	0
237	20 IN	HACKBERRY	REMOVE	0
238	26 IN	HACKBERRY	REMOVE	0
239	9 IN	HACKBERRY	REMOVE	0
240	12 IN	HACKBERRY	REMOVE	0
241	12 IN	HACKBERRY	REMOVE	0
242	20 IN	AMERICAN ELM	REMOVE	20 IN
243	14 IN	HACKBERRY	REMOVE	0
244	16 IN	HACKBERRY	REMOVE	0
245	18 IN	HACKBERRY	REMOVE	0
246	26 IN	AMERICAN ELM	REMOVE	26 IN
247	20 IN	CEDAR ELM	REMOVE	20 IN
248	10 IN	AMERICAN ELM	REMOVE	10 IN
249	20 IN	HACKBERRY	REMOVE	0
250	9 IN	HACKBERRY	REMOVE	0
251	10 IN	HACKBERRY	REMOVE	0
252	8 IN	HACKBERRY	REMOVE	0
253	12 IN	HACKBERRY	REMOVE	0
254	15 IN	HACKBERRY	REMOVE	0
255	8 IN	HACKBERRY	REMOVE	0
256	20 IN	HACKBERRY	REMOVE	0
257	13 IN	HACKBERRY	REMOVE	0
258	20 IN	HACKBERRY	REMOVE	0
259	10 IN	CHINA BERRY	REMOVE	0
260	10 IN	HACKBERRY	REMOVE	0
261	10 IN	CHINA BERRY	REMOVE	0
262	16 IN	AMERICAN ELM	REMOVE	16 IN
263	6 IN	HACKBERRY	REMOVE	0
264	9 IN	HACKBERRY	REMOVE	0
265	6 IN	HACKBERRY	REMOVE	0
266	6 IN	HACKBERRY	REMOVE	0
267	8 IN	HACKBERRY	REMOVE	0
268	7 IN	HACKBERRY	REMOVE	0
269	12 IN	HACKBERRY	REMOVE	0
270	14 IN	HACKBERRY	REMOVE	0
271	9 IN	HACKBERRY	REMOVE	0
272	10 IN	HACKBERRY	REMOVE	0
273	20 IN	SHUMARD OAK	REMOVE	20 IN
274	14 IN	SHUMARD OAK	TRANSPLANT	0
275	14 IN	SHUMARD OAK	TRANSPLANT	0
276	11 IN	SHUMARD OAK	TRANSPLANT	0
277	12 IN	SHUMARD OAK	TRANSPLANT	0
278	12 IN	SHUMARD OAK	TRANSPLANT	0
279	18 IN	SHUMARD OAK	REMOVE	18 IN
280	14 IN	SHUMARD OAK	TRANSPLANT	0
281	11 IN	SHUMARD OAK	TRANSPLANT	0
282	10 IN	SHUMARD OAK	TRANSPLANT	0
283	12 IN	SHUMARD OAK	TRANSPLANT	0
284	12 IN	SHUMARD OAK	TRANSPLANT	0
286	12 IN	SHUMARD OAK	TRANSPLANT	0
287	12 IN	SHUMARD OAK	TRANSPLANT	0
288	12 IN	SHUMARD OAK	TRANSPLANT	0
289	10 IN	SHUMARD OAK	TRANSPLANT	0
290	26 IN	SHUMARD OAK	REMOVE	26 IN
291	13 IN	SHUMARD OAK	TRANSPLANT	0
292	10 IN	SHUMARD OAK	TRANSPLANT	0
293	12 IN	SHUMARD OAK	TRANSPLANT	0
294	10 IN	SHUMARD OAK	TRANSPLANT	0
295	15 IN	SHUMARD OAK	REMOVE	15 IN
296	10 IN	SHUMARD OAK	TRANSPLANT	0
297	12 IN	SHUMARD OAK	TRANSPLANT	0
298	12 IN	SHUMARD OAK	TRANSPLANT	0
299	9 IN	SHUMARD OAK	TRANSPLANT	0
300	12 IN	SHUMARD OAK	TRANSPLANT	0
301	12 IN	SHUMARD OAK	TRANSPLANT	0
302	12 IN	SHUMARD OAK	TRANSPLANT	0
303	9 IN	SHUMARD OAK	TRANSPLANT	0
304	9 IN	SHUMARD OAK	TRANSPLANT	0
305	10 IN	SHUMARD OAK	TRANSPLANT	0
306	9 IN	SHUMARD OAK	TRANSPLANT	0
307	9 IN	SHUMARD OAK	TRANSPLANT	0
308	12 IN	SHUMARD OAK	TRANSPLANT	0
309	12 IN	SHUMARD OAK	TRANSPLANT	0
310	12 IN	SHUMARD OAK	TRANSPLANT	0
311	12 IN	SHUMARD OAK	TRANSPLANT	0
312	24 IN	SHUMARD OAK	MAINTAIN	0
313	18 IN	SHUMARD OAK	MAINTAIN	0
314	8 IN	AMERICAN ELM	REMOVE	8 IN
316	6 IN	AMERICAN ELM	REMOVE	6 IN
317	6 IN	AMERICAN ELM	REMOVE	6 IN
326	10 IN	SHUMARD OAK	MAINTAIN	0
327	10 IN	SHUMARD OAK	REMOVE	10 IN
328	4 IN	SHUMARD OAK	REMOVE	4 IN
329	10 IN	SHUMARD OAK	REMOVE	10 IN
330	8 IN	SHUMARD OAK	REMOVE	8 IN
331	15 IN	SHUMARD OAK	MAINTAIN	0
332	14 IN	SHUMARD OAK	MAINTAIN	0
333	14 IN	SHUMARD OAK	MAINTAIN	0
334	12 IN	SHUMARD OAK	MAINTAIN	0
335	12 IN	SHUMARD OAK	MAINTAIN	0
336	12 IN	SHUMARD OAK	MAINTAIN	0
337	14 IN	SHUMARD OAK	MAINTAIN	0
338	12 IN	SHUMARD OAK	MAINTAIN	0
339	15 IN	SHUMARD OAK	MAINTAIN	0
340	18 IN	SHUMARD OAK	MAINTAIN	0
341	12 IN	SHUMARD OAK	MAINTAIN	0
342	7 IN	SHUMARD OAK	REMOVE	7 IN
343	15 IN	SHUMARD OAK	REMOVE	15 IN
344	15 IN	SHUMARD OAK	REMOVE	15 IN
345	15 IN	SHUMARD OAK	MAINTAIN	0
346	14 IN	SHUMARD OAK	MAINTAIN	0
347	12 IN	SHUMARD OAK	MAINTAIN	0
348	12 IN	SHUMARD OAK	REMOVE	12 IN
349	12 IN	SHUMARD OAK	REMOVE	12 IN
350	15 IN	SHUMARD OAK	REMOVE	15 IN
351	14 IN	SHUMARD OAK	REMOVE	14 IN
352	10 IN	SHUMARD OAK	MAINTAIN	0
353	12 IN	SHUMARD OAK	MAINTAIN	0
354	10 IN	SHUMARD OAK	REMOVE	10 IN
355	11 IN	SHUMARD OAK	REMOVE	11 IN
356	15 IN	SHUMARD OAK	REMOVE	15 IN
357	8 IN	SHUMARD OAK	REMOVE	8 IN
358	14 IN	SHUMARD OAK	REMOVE	14 IN
359	18 IN	SHUMARD OAK	MAINTAIN	0

LEGEND

EXISTING TREE TO BE PRESERVED

EXISTING TREE TO BE REMOVED

EXISTING TREE TO BE TRANSPLANTED

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KEY MAP

SEAL

PRELIMINARY
FOR REVIEW PURPOSES ONLY AND SHALL NOT BE USED FOR BIDDING, PERMITTING, OR CONSTRUCTION.

C. Heth Kendrick
Registered Landscape Architect of the State of TEXAS

Registration Number: 2948

PROJECT

ADDISON CIRCLE STATION

AMLI RESIDENTIAL

ADDISON, TX

LANDDESIGN PROJ.#
8521186

REVISION / ISSUANCE

NO.	DESCRIPTION	DATE
	TOWN REVISIONS	11.18.2022
	TOWN REVISIONS	12.29.2022
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DESIGNED BY: XX
DRAWN BY: XX
CHECKED BY: XX

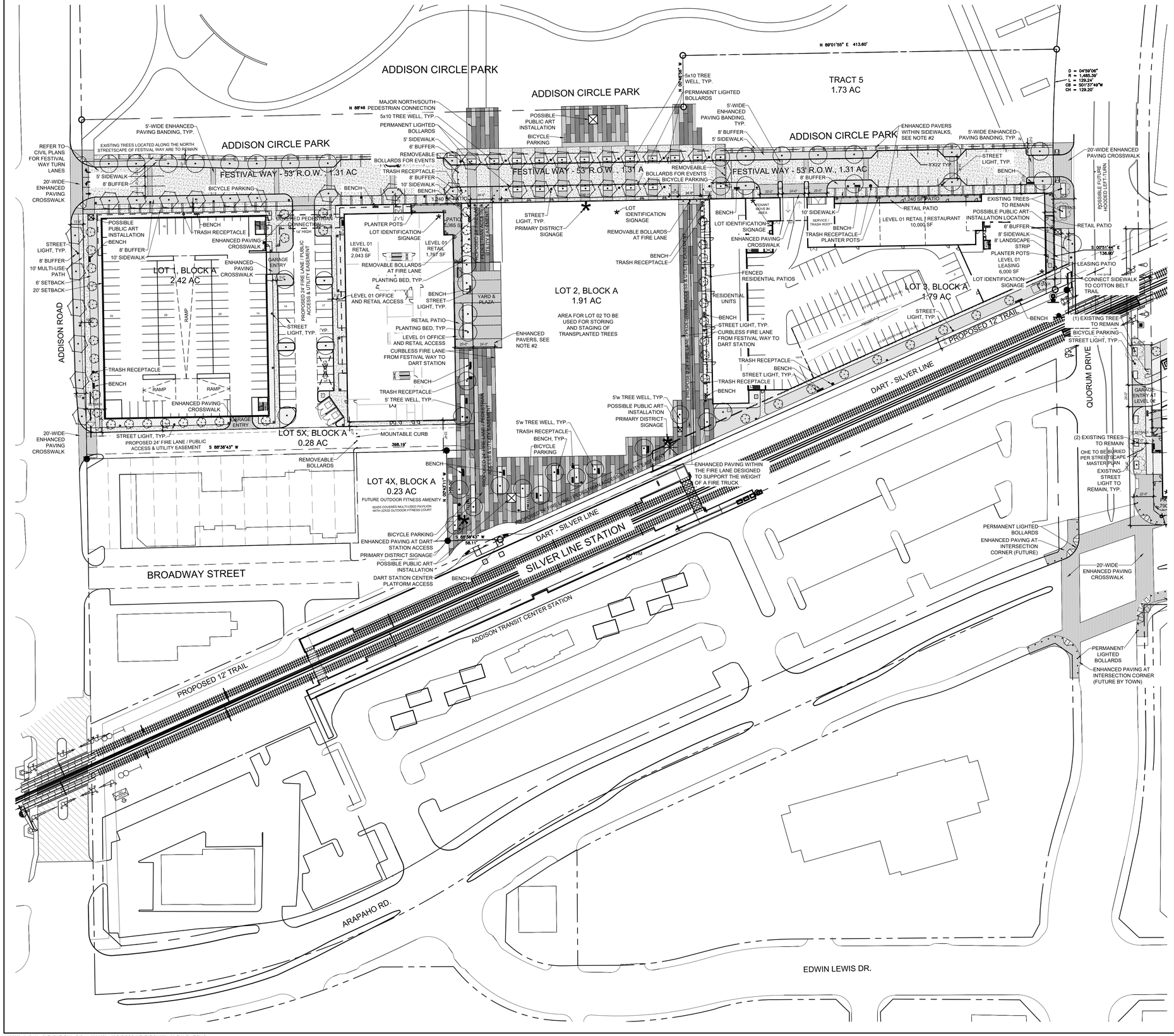
SCALE
NORTH
VERT: N/A
HORZ: 1"=50'
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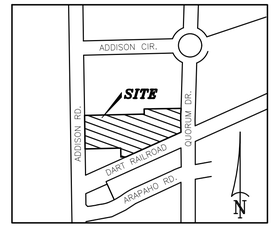
SHEET TITLE

TREE SURVEY (EAST) AND TABLE

SHEET NUMBER

L6-03





VICINITY MAP
NOT TO SCALE

NOTES:

1. PATIOS, PLANT MATERIAL, AND PAVING ENHANCEMENTS ARE PROPOSED AND SUBJECT TO ADJUSTMENT TO ACCOUNT FOR ARCHITECTURAL REVISIONS AND FEATURES. AS ADDITIONAL INFORMATION IS PROVIDED RELATED TO ARCHITECTURAL FEATURES, THE LANDSCAPE DESIGN WILL CONTINUE TO BE REVISED TO ACCOMMODATE THESE REVISIONS.
2. ENHANCED PAVING TO BE BRICK PAVERS, CONCRETE PAVERS, AND/ OR STAMPED AND STAINED CONCRETE. FINAL DETERMINATION OF PAVING MATERIAL SHOULD BE DETERMINED AT PERMIT PHASE

PRELIMINARY PLANT SCHEDULE

SHADE TREE 6-8" CAL. SIZE -		79
ORNAMENTAL/EVERGREEN TREE -		101
TRANSPLANTED TREE -		34
SHRUB/GROUND COVER -		24,117 sf
SOD -		35,181 sf
EXISTING TREES TO REMAIN		

TOTAL LANDSCAPE AREA = 59,298 SF

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PROJECT

ADDISON CIRCLE STATION PHASE I

AMLI RESIDENTIAL

ADDISON, TX

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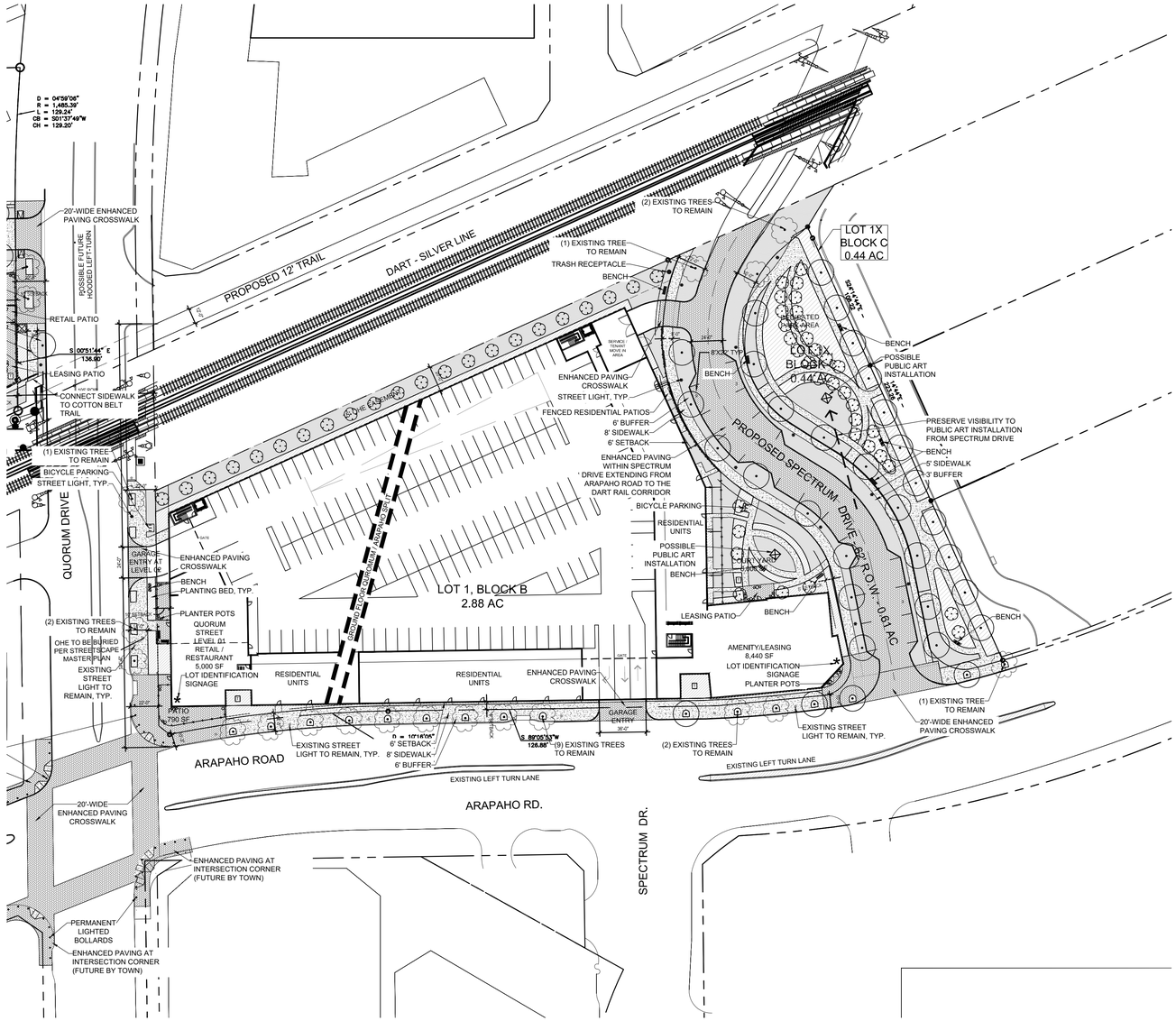
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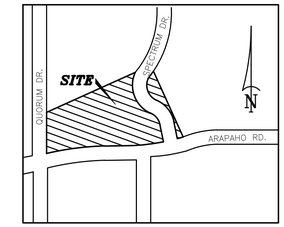
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HORZ: 1"=50'
0 25' 50' 100'

NORTH

SHEET TITLE
CONCEPTUAL LANDSCAPE PLAN (WEST)

SHEET NUMBER
L6-00





VICINITY MAP
NOT TO SCALE

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2. ENHANCED PAVING TO BE BRICK PAVERS, CONCRETE PAVERS, AND/ OR STAMPED AND STAINED CONCRETE. FINAL DETERMINATION OF PAVING MATERIAL SHOULD BE DETERMINED AT PERMIT PHASE
3. FURTHER DESIGN CONSIDERATIONS ARE NEEDED WITH TOWN STAFF BEYOND THE CONCEPT PLAN RELATED TO THE PAVING ENHANCEMENT TRANSITION AT THE NORTH AND SOUTH END OF THE SPECTRUM DRIVE REALIGNMENT, THE PLACEMENT OF THE FUTURE SIDEWALK ALONG THE EAST SIDE OF THE SPECTRUM DRIVE REALIGNMENT, THE DESIGN CONSIDERATION FOR EXISTING TOPOGRAPHY WITHIN THE FUTURE PARK TO INCLUDE EXISTING STONE STEPS AND PAVER ENHANCEMENTS ALONG SPECTRUM DRIVE AND PARK WALK, THE NEED FOR A VARIETY OF TREE SPECIES IN THE PARK, BICYCLE PARKING AND REPAIR STATIONS, SIGNAGE, AND THE NEED FOR A GUARDRAIL ALONG SPECTRUM DRIVE
4. ARAPAHO ROAD AND QUORUM DRIVE INTERSECTION IMPROVEMENTS DESIGN STANDARDS FOR ALL FOUR (4) CORNERS OF THE INTERSECTION OF ARAPAHO ROAD AND QUORUM DRIVE SHALL BE PROVIDED BY THE DEVELOPER. THESE STANDARDS SHALL MEET THE REQUIREMENTS OF THE TOWN OF ADDISON AND THE ULTIMATE DESIGN BE PROVIDED IN COORDINATION WITH TOWN STAFF. THE DEVELOPER, IN COORDINATION WITH THE TOWN OF ADDISON STAFF, SHALL PROPOSED A NEW LIGHTED BOLLARD FOR THIS AREA WITH THE UNDERSTANDING THAT THIS BOLLARD SHALL BECOME THE STANDARD OF DESIGN FOR THE FOR ENTIRE DISTRICT

PRELIMINARY PLANT SCHEDULE

	SHADE TREE 6-8" CAL. SIZE -	79
	ORNAMENTAL/EVERGREEN TREE 2.5" CAL. -	101
	TRANSPLANTED TREE -	34
	SHRUB/GROUND COVER -	24,117 sf
	SOD -	35,181 sf
	EXISTING TREES TO REMAIN	

TOTAL LANDSCAPE AREA = 59,298 SF

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C. Heth Kendrick
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PROJECT

ADDISON CIRCLE STATION PHASE I

AMLI RESIDENTIAL

ADDISON, TX

LANDDESIGN PROJ.#
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DESIGNED BY: XX
DRAWN BY: XX
CHECKED BY: XX

SCALE
VERT: N/A
HORZ: 1"=50'
0 25' 50' 100'

NORTH

SHEET TITLE
CONCEPTUAL LANDSCAPE PLAN (EAST)

SHEET NUMBER
L6-01



ENHANCED PED/BIKE

PED/BIKE/FIRE ACCESS

This shall serve as a shared fire lane with limited vehicle inclusion. The order of priority should be pedestrians, bicycles, and then emergency vehicles. This corridor shall serve as a pedestrian and bicycle linear experience to distinguish it from the various pedestrian and bicycle connections around the site. Integrate shade trees, decorative hardscape, plazas/resting areas, lighting, benches and other elements to transform this corridor into an attractive and enjoyable space for all ages. It is through this corridor that the majority of the bicycle/pedestrian users will enter the site and access the DART station, therefore it should be pleasant and enticing for multiple modes of users.

PRIMARY PED/BIKE

This is the primary trail access long the Cotton Belt line and should serve to connect pedestrian and bicyclist to the DART Station. Integrate shade trees, pedestrian lighting, benches and other elements along this trail to create a well-designed recreational corridor.

SHARED PED/BIKE

Consider developing these as shared streets, with limited vehicle inclusion. The order of priority should be pedestrians, bicycles, and then vehicles. Constrict any vehicular only areas with narrow widths and use variation in paving materials to distinguish pedestrian priority.

EXTERNAL PED/BIKE

These are roads not internal to the developed site, but still provide vehicular and pedestrian access via public streets. Consider how wide sidewalks (5'-10') and buffer plantings (3'-8') will help facilitate users into the internal workings of the site. An appropriate bicycle facility along this stretch of road would be, at minimum, a separated and buffered lane.

Consider the effectiveness of the various streetscape elements (plantings, lighting, cohesion of materiality) will play in foreshadowing or hint towards the enhanced pedestrian/bicycle facilities within the site.

NO PROPOSED IMPROVEMENTS

INTERSECTIONS

GREENWAY AND DART CONNECTION

Prioritize pedestrian / bicycle experience at DART station.

Use variations in paving surfaces, landscape enhancements, and furnishings to prioritize this section of the trail.

Integrate pedestrian plaza and a larger gathering area at the DART station for users waiting for the train.

PED/BIKE PRIMARY

Design these intersections for pedestrians /bicyclists as the priority users utilizing:

- Raised intersections
- Specialty paving
- Safety measures: bollards, planters, bump outs (etc)

Incorporate strategically placed art/sculpture to aid in creating a sense of place.

PED/BIKE SECONDARY

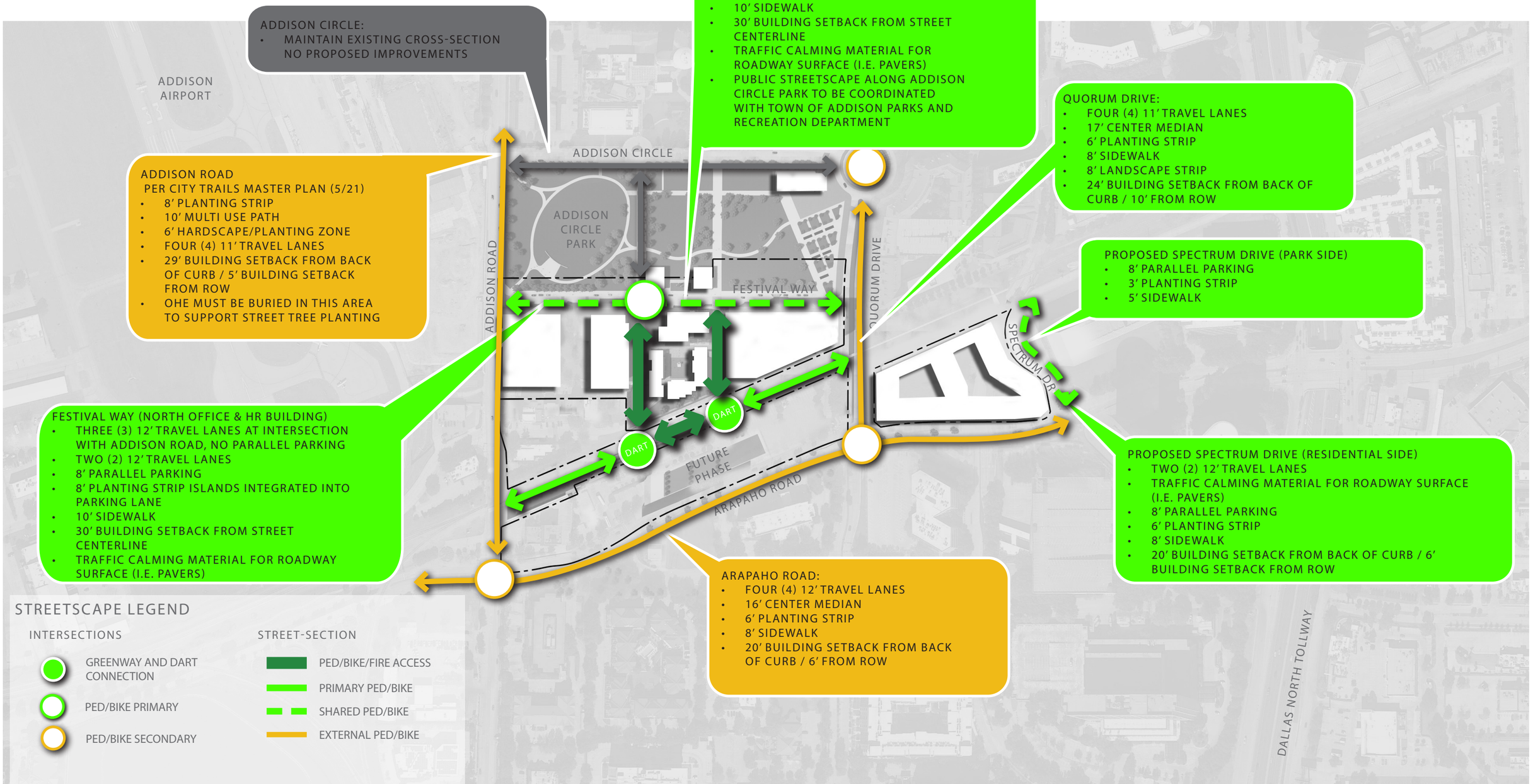
Pedestrians and bicyclists should feel comfortable and safe when navigating these intersections crosswalks and signalized intersections with ped/bike signalization.

Provide spacious sidewalks and bike lanes with buffers from vehicular traffic to encourage connections between residences, offices, retail, and destinations.

MASTER STREETSCAPE ADDISON, TX • PEDESTRIAN AND BICYCLE HIERARCHY

PN 8521168 | 01.13.2023 | AMLI RESIDENTIAL

LandDesign



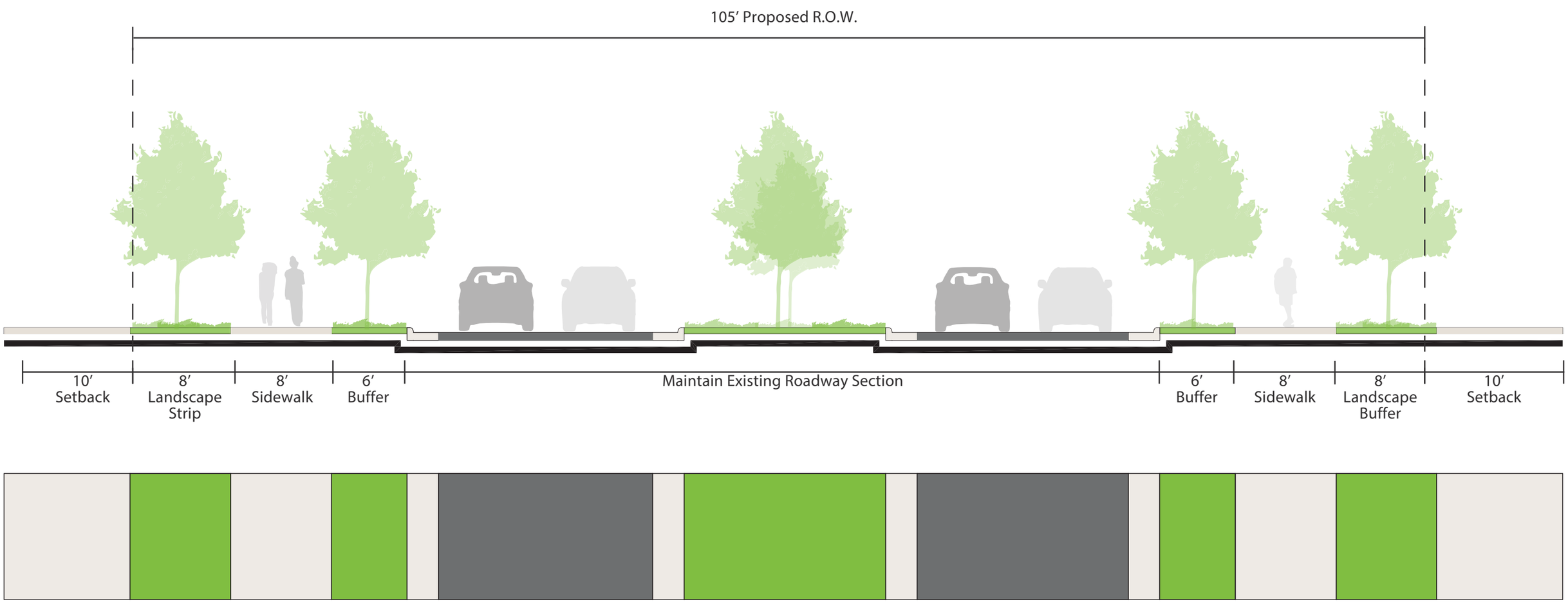
MASTER STREETSCAPE ADDISON, TX • STREETSCAPE SECTIONS

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LandDesign

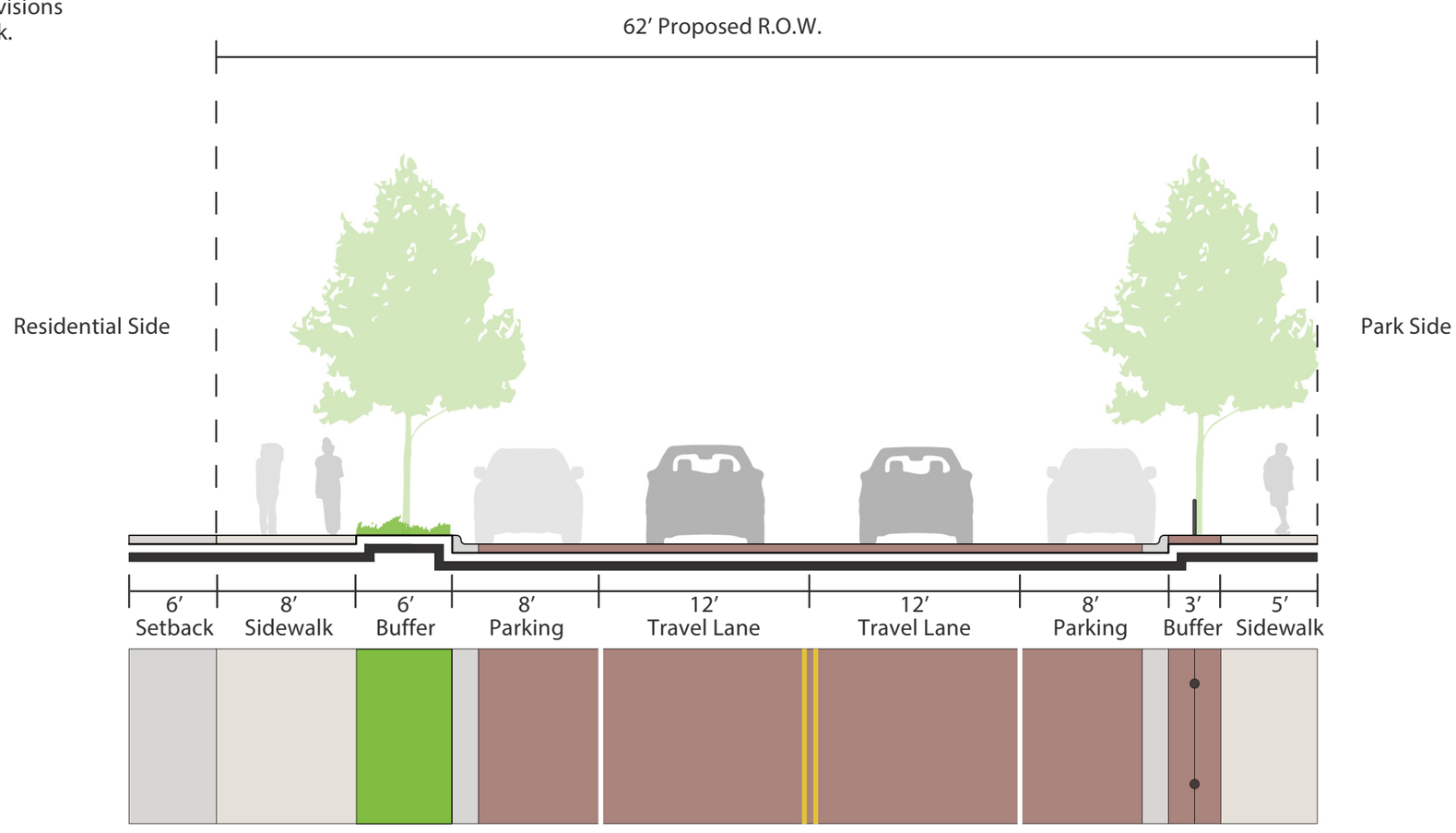
QUORUM DRIVE

- Overhead Electrical Lines (OHE) to be buried on east side of Quorum Drive.

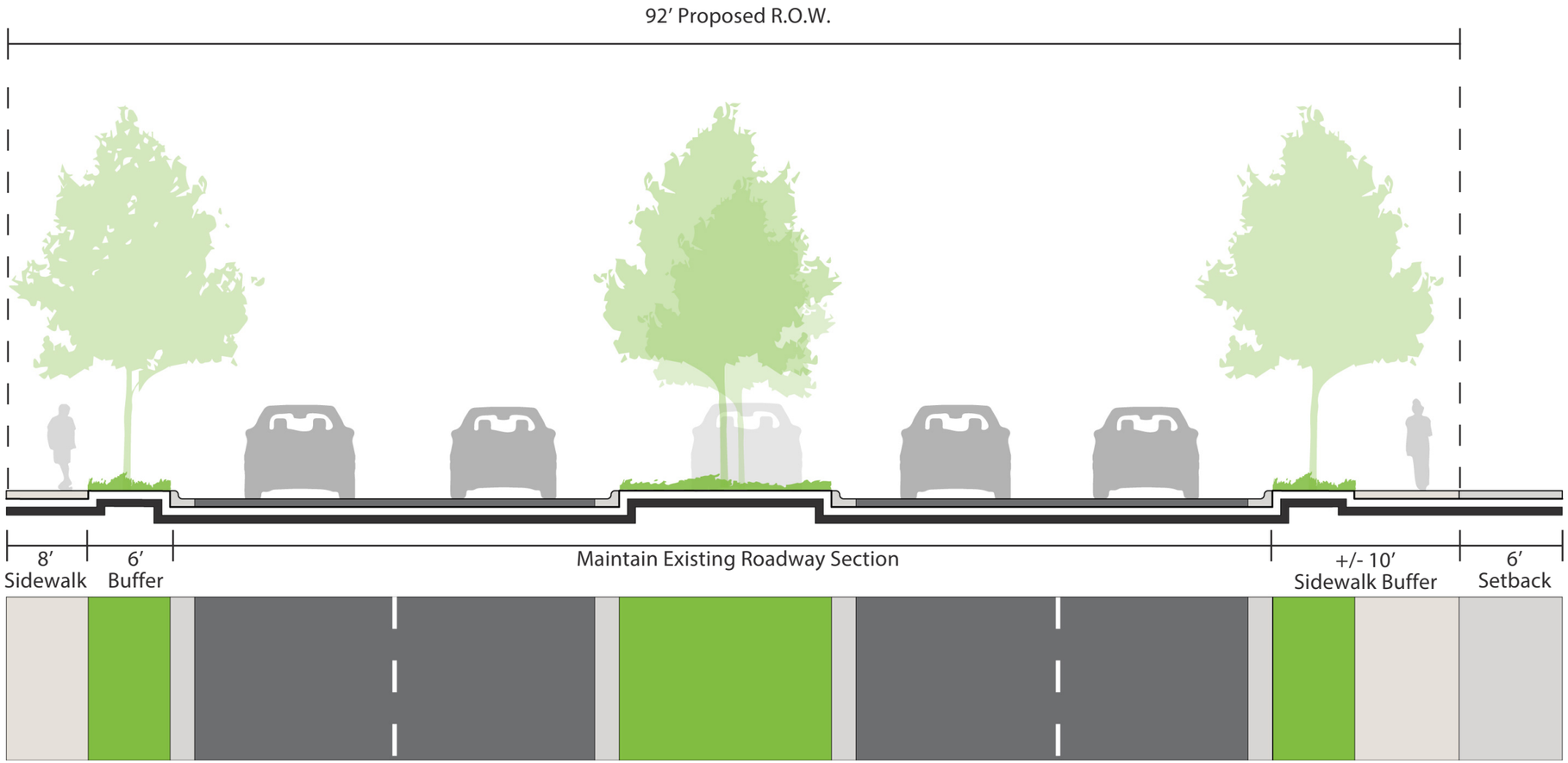


SPECTRUM DRIVE

- Recommended that the Driving Surface of Spectrum Drive be treated with a paving material (i.e.) brick pavers for additional traffic calming
- Integrate staggered landscape islands within parking to further calm traffic
- Sidewalk location and buffer width along east side of Spectrum Drive is subject to revisions based on final design of Spectrum Park.



ARAPAHO ROAD



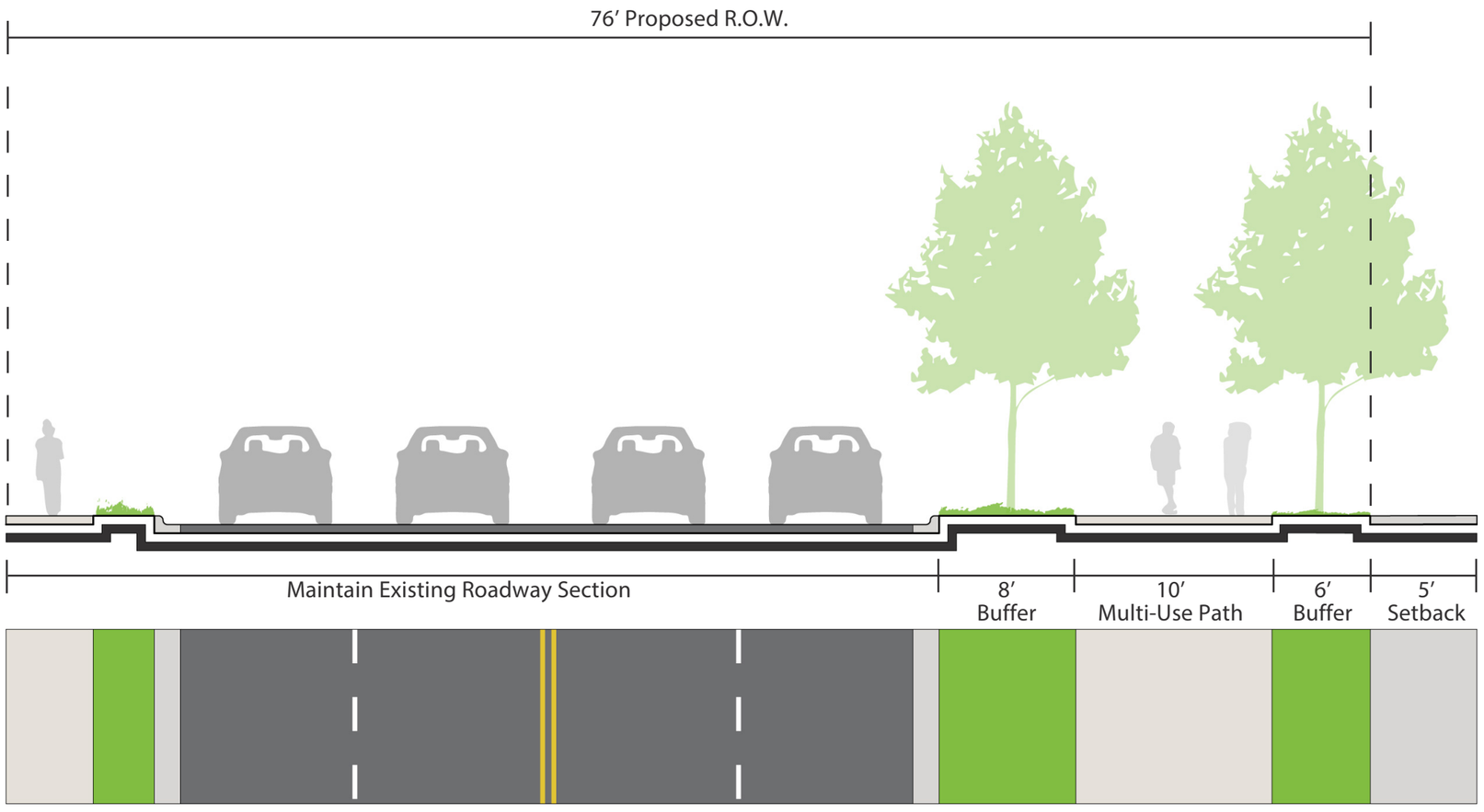
ADDISON STREETSCAPE ADDISON, TX • STREETSCAPE SECTIONS

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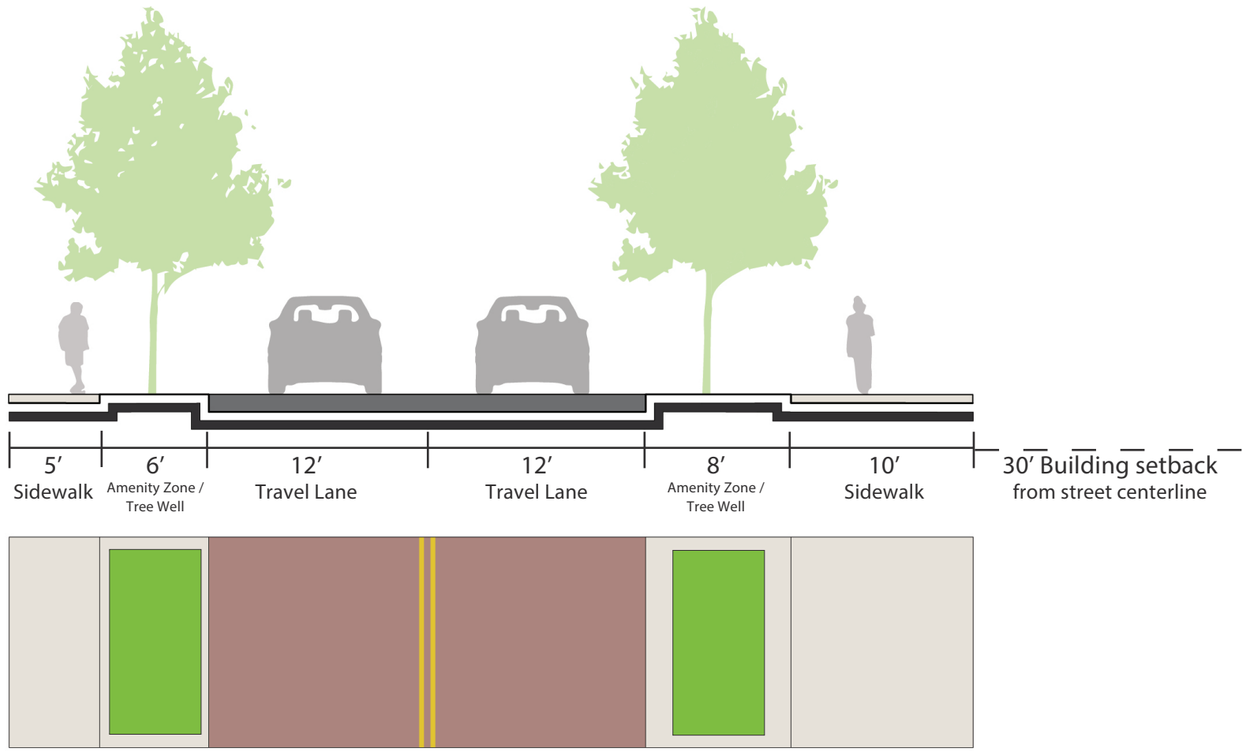
ADDISON ROAD

- Bury existing OHE below 8’ buffer strip and multi-use path



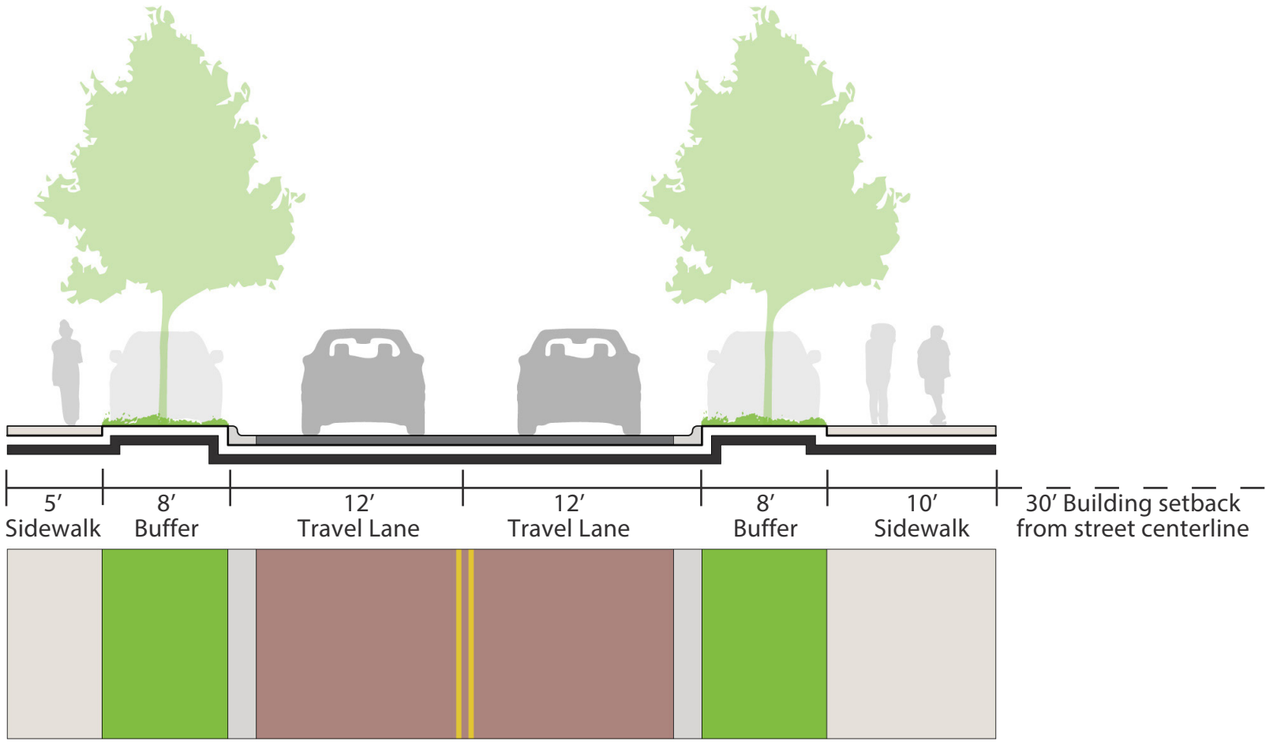
FESTIVAL WAY

- Block to the north of The Hub only
- Recommended that the driving surface be treated with a paving material (i.e brick pavers) for additional traffic calming
- Block is intended to be a speed table/table top condition to reduce traffic speeds for pedestrian safety.



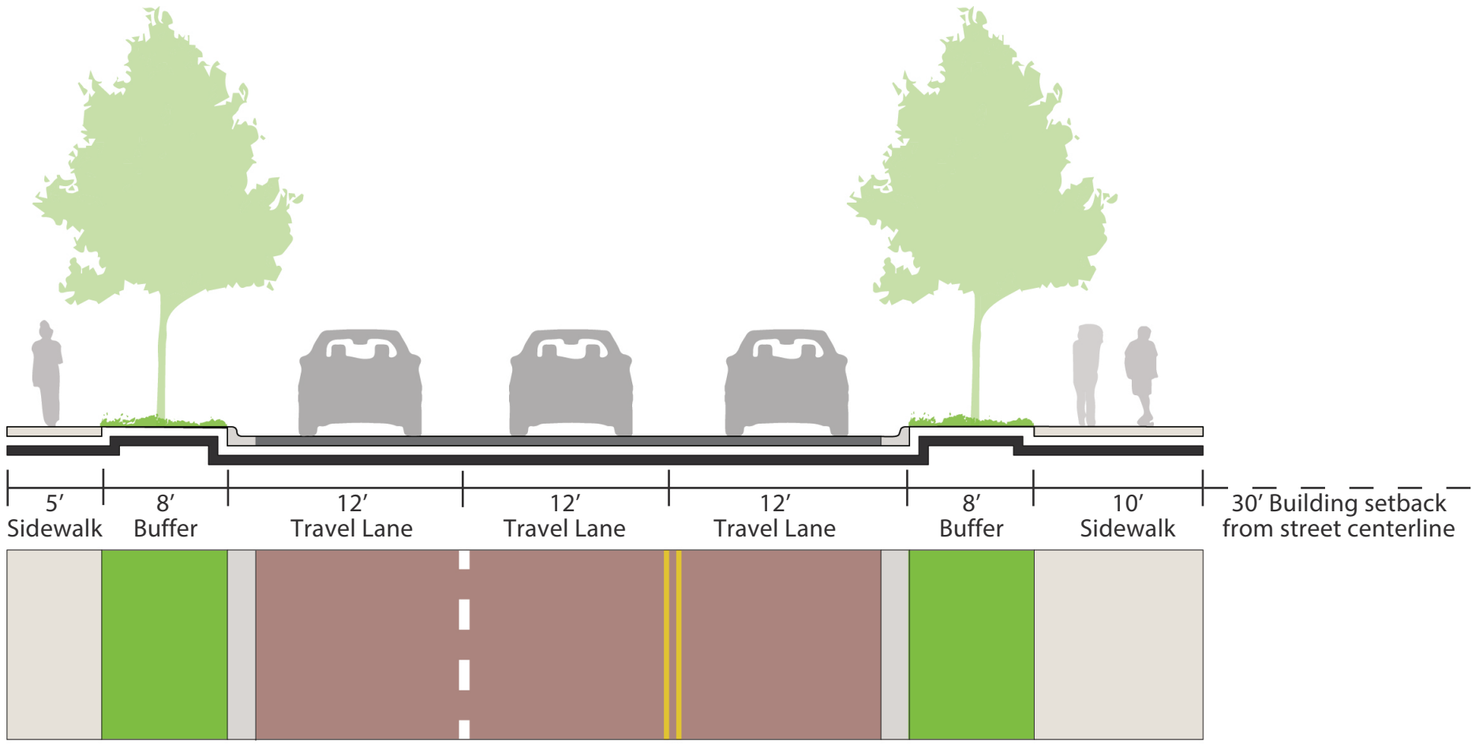
FESTIVAL WAY

- Block to the north of office and high rise development only
- Planting strip can fall in line with the parallel parking spaces
- Recommended that the driving surface be treated with a paving material (i.e. brick pavers) for additional traffic calming



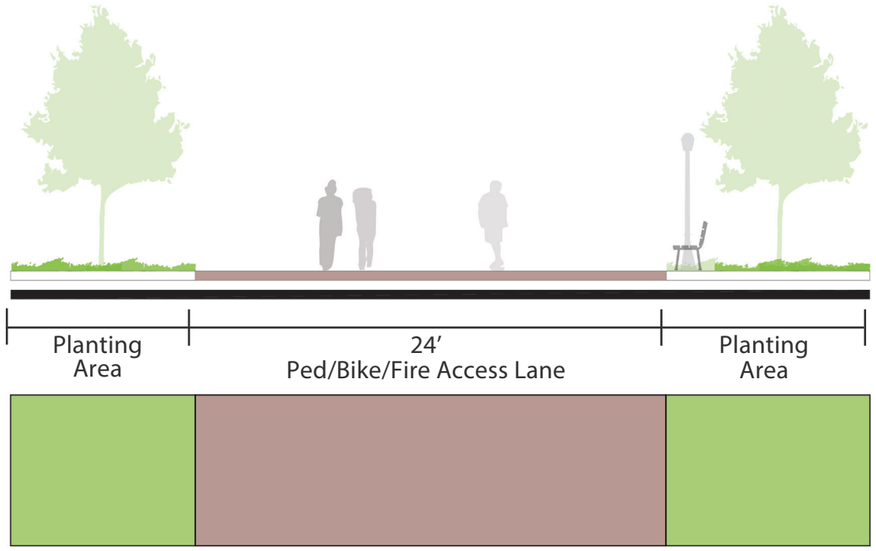
FESTIVAL WAY

- Intersection of Festival Way and Addison Road
- No parallel parking spaces
- Recommended that the driving surface be treated with a paving material (i.e. brick pavers) for additional traffic calming



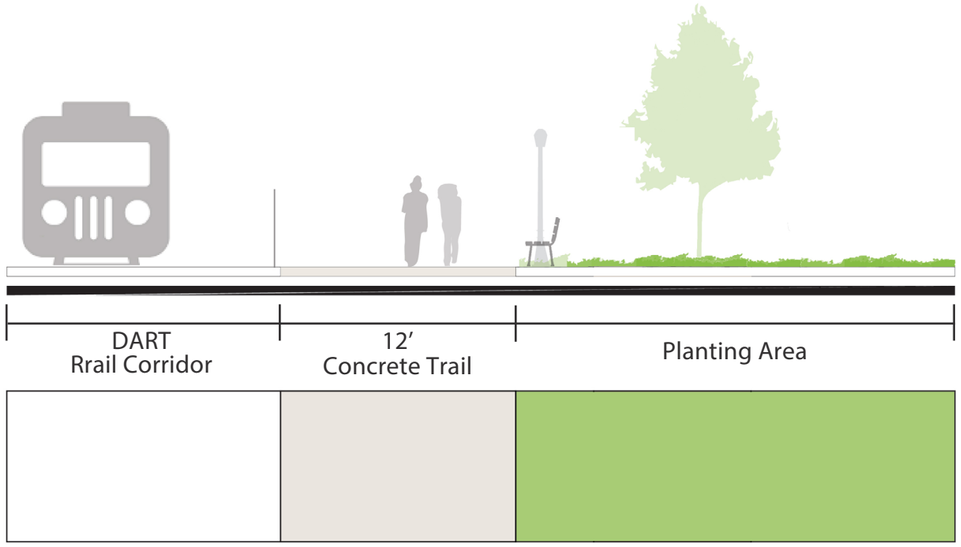
PED/BIKE/FIRE ACCESS

- Access points to the east and west of the entertainment block
- Recommended that the driving surface be treated with a paving material (i.e. concrete pavers, enhanced hardscape) to relate to the pedestrian intent



PED/BIKE/FIRE ACCESS

- Trail adjacent to Rail Corridor at Lot 03, Block A
- Access points to the east and west of the entertainment block
- Recommended that the driving surface be treated with a paving material (i.e. concrete pavers, enhanced hardscape) to relate to the pedestrian intent



PERMITTED USES AND DEVELOPMENT STANDARDS

1. **Permitted Uses:**

   A. Condominium.

   B. Multifamily.

   C. Senior Housing (Special Use Permit (SUP) required).

   D. Live/Work.

      i. The commercial use is limited to professional services such as accountants, architects, artisans, attorneys, computer and multimedia related professionals, consultants, engineers, hair stylists, insurance, real estate, athletic trainers, travel agents, one-on-one instructors, and similar occupations as may be approved by the Zoning Administrator provided that the use does not detract from, or pose a nuisance to, the adjacent uses.

      ii. Both the residential and commercial components of the Live/Work unit must be occupied by the same tenant.

   E. Office.

   F. Co-Working.

   G. Retail – as defined in the Residential Subdistrict Use Regulations for the Urban Center (UC) Zoning District.

   H. Restaurant (Special Use Permit (SUP) required).

   I. Food Hall (Special Use Permit (SUP) required).

   J. Hotel (Special Use Permit (SUP) required).

   K. Health Club (Special Use Permit (SUP) required).

   L. Day Care Facility (Special Use Permit (SUP) required).

   M. Entertainment/Event Venue (Indoor or Outdoor).

   N. Sale of alcohol for on-premises or off-premises consumption (Special Use Permit (SUP) required).

   O. Accessory uses encompassing community, social, and recreation facilities customary to multifamily residential and mixed-use development, and home occupations that do not employ persons outside the residence and that do not alter the physical structure or generate additional parking demand, inclusive of any temporary or overnight parking related to such home occupation.

2. **Maximum Number of Multifamily Dwelling Units:** 700 dwelling units.

3. **Development Phasing and Operational Restrictions:** The Concept Plan shall be

implemented in accordance with the terms and conditions outlined in the Second Amended Memorandum of Understanding between the Town of Addison, AMLI Residential, and Stream Realty for the Addison Circle Area Transit Oriented Development (the "MOU") dated January 10, 2023, as the same may be amended, together with the final executed Definitive Agreements (defined in this PD-O23-_____)

4. **Landscape (Overall Site)**:

   Minimum Tree Plantings: New canopy tree plantings shall be a minimum of 4 caliper inches in diameter. Tree planting may be achieved in public open space, private open space, or common areas, and at the streetscape.

   Trees shall be planted to achieve all required tree mitigation on site. Where mitigated trees are at least 8 caliper inches in diameter, a replacement tree, of at least 6 caliper inches in diameter, must be utilized to fulfill mitigation requirements on an inch for inch basis.

   Alternative replacement and transplanted trees shall be considered by the Town where said trees can enhance the diversity of tree planting and positively contribute to the overall aesthetics and screening needs for the site. The Director of Parks and Recreation may, in the Town's sole discretion, approve alternative tree mitigation standards to account for transplanting of mature trees.

   A. Required Site Landscape: Excluding streets, parking, sidewalks, plazas, and other required hardscape, common areas are to be landscaped and irrigated. Residential ground floor frontages shall be required to landscape the entire area between the edge of sidewalk and the primary building facade, excluding access to sidewalks, stairs, stoops, porches, and patios. This area must be irrigated, and may be landscaped with ground cover, low shrubs, and ornamental trees.

5. **Public Open Space**:

   A. Minimum Public Open Space: As depicted in the **Concept Plan**.

   B. Public Open Space Furnishings: Public open space shall be amenitized with site furnishings such as benches, trash receptables, pedestrian lighting, fitness programming, and public art.

   C. Public Open Space Landscape: Landscape shall be irrigated and shall include a mix of evergreen and deciduous canopy and ornamental tree species, ornamental groundcover, and zoysia grass turf, or acceptable alternative.

   D. Public Open Space Installation and Maintenance: All public open space improvements shall be installed by the developer and owned and maintained in accordance with the terms of a future Definitive Agreements between the Town and Co-Developers.

6. **Streetscape Standards:** All streetscapes shall comply with the **Master Streetscape Plan.**

7. **Pavement Treatments:** Enhanced pavement treatments will be provided in accordance with the **Concept Plan**. This will be achieved through the use of pavers, as well as unique concrete treatments such as painting, staining, and patterned sawcuts.

8. **Multifamily (Tower) Form Standards:**

   A. Minimum Lot Area: None.

   B. Minimum Lot Width: None.

   C. Maximum Lot Width (Festival Way Frontage): 450 feet.

   D. Minimum Lot Depth: None.

   E. Maximum Lot Depth: 300 feet.

   F. Minimum Building Setbacks:

      i. Front Yard (Festival Way): 30 feet from the centerline of the street.

      ii. Front Yard (Quorum Drive): 10 feet.

      iii. Side Yard: None.

      iv. Rear Yard: None.

   G. Minimum Building Height: 13 stories, or the maximum building height permitted under FAA Part 77 review.

   H. Maximum Building Height: the maximum building height permitted under FAA Part 77 review.

   I. High-Rise Building: A building with an occupied floor located more than 75 feet above the lowest level of fire department access.

   J. Minimum Floor Area Per Dwelling Unit: 600 square feet.

   K. Minimum Ground Floor Commercial Floor Area: 10,000 square feet.

   L. Minimum Ground Floor Commercial Floor Height: 16 feet floor to floor.

9. **Multifamily (Mid-Rise) Form Standards:**

   A. Minimum Lot Area: None.

   B. Minimum Lot Width: None.

C. Maximum Lot Width (Arapaho Road Frontage): 600 feet.

D. Minimum Lot Depth: None.

E. Maximum Lot Depth (Spectrum Drive Frontage): 400 feet.

F. Minimum Building Setbacks:

i. Front Yard (Arapaho Road): 6 feet.

ii. Front Yard (Quorum Drive): 10 feet.

iii. Front Yard (Spectrum Drive): 6 feet.

iv. Side Yard: None.

v. Rear Yard: None.

G. Minimum Building Height: 6 stories.

H. Maximum Building Height: 10 stories.

I. High-Rise Building: A building with an occupied floor located more than 75 feet above the lowest level of fire department access.

J. Minimum Floor Area Per Dwelling Unit: 600 square feet.

K. Minimum Ground Floor Commercial Floor Area: 5,000 square feet.

L. Minimum Ground Floor Commercial Floor Height: 16 feet floor to floor.

10. Office & Parking Structure Form Standards:

A. Minimum Lot Area: None.

B. Minimum Lot Width: None.

C. Maximum Lot Width (Festival Way Frontage): 475 feet.

D. Minimum Lot Depth: None.

E. Maximum Lot Depth (Addison Road Frontage): 275 feet.

F. Minimum Building Setbacks:

i. Front Yard (Addison Road): 15 feet.

ii. Front Yard (Festival Way): 30 feet from the centerline of the street.

iii. Side Yard: None.

iv. Rear Yard: None.

G. Minimum Building Height: 5 stories (parking garage), 6 stories (office), or, if applicable, the maximum building height permitted under FAA Part 77 review.

H. Maximum Building Height: the maximum building height permitted under FAA Part 77 review.

I. Minimum Office Floor Area: 160,000 square feet.

J. Minimum Ground Floor Retail Floor Area: 3,500 square feet.

K. Minimum Ground Floor Commercial Floor Height: 15 feet floor to floor.

11. Retail/Restaurant/Entertainment Node Form Standards:

A. Minimum Lot Area: None.

B. Minimum Lot Width: 200 feet.

C. Maximum Lot Width: None.

D. Minimum Lot Depth: 250 feet.

E. Maximum Lot Depth: None.

F. Minimum Building Setbacks:

v. Front Yard (Festival Way): 30 feet from the centerline of the street.

vi. Side Yard: None

vii. Rear Yard: None.

G. Minimum Building Height: 1 story.

H. Maximum Building Height: the maximum building height permitted under FAA Part 77 review.

I. Minimum Building Floor Area: 25,000 square feet.

J. Minimum Gathering/Civic/Open Space: 20 percent of the gross area of the lot. Physical and visual connections must be made from this designated space(s) to Festival Way and the Silver Line Station.

12. **Airport Noise Mitigation:** Residential buildings must be located outside of the 65 DNL noise contour for Addison Airport.

13. **Parking:**

    A. Minimum Off-Street Parking Requirements:

        i. Multifamily (Stacked Flat): 1 space per bedroom, not to exceed 2 spaces per dwelling unit.

        ii. Office/Co-Working: 1 space per 300 square feet of floor area.

        iii. Retail: 1 space per 300 square feet of floor area.

        iv. Restaurant: 1 space per 100 square feet of floor area.

    B. Shared Parking: The final quantity of parking spaces, operation of the public parking structure, and retail parking accommodations in private parking structures, are subject to completion of a parking study and execution of a development agreement between the Town and Co-Developers.

    C. Bicycle Parking: 1 space for every 15 required off-street parking spaces, with at least 50 percent of provided spaces being accommodated within the interior of a structure.

14. **Façade:** Building facades shall comply with the terms and conditions of the MOU and the Definitive Agreements.

15. **Mechanical Equipment Placement and Screening:** Mechanical equipment shall be mounted on the roof and be screened from view from all rights-of-way and located to minimize noise intrusion off each lot. Screening must be architecturally compatible with the building design.

16. **Solid Waste and Recycling:** Solid Waste and recycling services shall be provided for this development. Dumpsters and compactors should be considered in the design of buildings and shall not be permitted as freestanding features within the site, unless enclosed in a masonry dumpster enclosure and situated at least 200 feet away or screened by buildings from view from a public street.

17. **Sustainability:**

    A. The provision of sustainability features such as LEED compliance, electric vehicle charging stations, and public art shall be fully defined by the Definitive Agreements.

18. Residential Dwelling Unit Features:

A. Interior Finishes: There shall be no linoleum or Formica surfaces in the units. All countertops shall be granite, stone, or a superior surface material.

B. Appliances: All units shall be equipped with energy efficient appliances.

From: Paul Walden
Sent: Monday, January 16, 2023 8:53 AM
To: Thomas Souers <tsouers@addisontx.gov>; Chris DeFrancisco <cdefrancisco@addisontx.gov>; Juli Branson <jbranson@addisontx.gov>; Robert Catalani <rcatalani@addisontx.gov>; Zachary Faircloth <zfaircloth@addisontx.gov>; Nancy Craig <ncraig@addisontx.gov>; Denise Fansler <dfansler@addisontx.gov>; Ken Schmidt <kschmidt@addisontx.gov>
Subject: TOD Public Hearing

Commissions,

I am sure the anti apartments faction will be present at your meeting on Tuesday in an attempt to derail approval of the rezoning necessary to move the TOD forward.

I wanted to suggest to you that the questions before you tomorrow are NOT about public policy as to the wisdom or lack thereof of approving more apartments, rather the scope of your deliberations should be limited to the merits of the plans the developer has put forward and that Staff has reviewed. This is just another rezoning case, nothing more.

The City Council has already set the TOD in motion by approving a Memorandum of Understanding with the Master Developer. The rezoning steps necessary to fulfill the Council's direction are now being completed.

Your duty as Commissioners is as with any other case coming before you, is to thoroughly review the proposal on its merits which include being consistent with current public policy as created by the Council.

I encourage you to keep this in mind and resist any efforts by the anti apartments faction to try to make this meeting a forum for public policy decisions.

Good luck with your meeting on Tuesday.

Regards,

Paul Walden
14806 Le Grande Dr.

Subject: Planning and Zoning meeting Tuesday, January 17th
Date: Sun, 15 Jan 2023 17:18:46 -0600
From:MIKE ONEAL
To:lward@addisontx.gov

Hello Lori -

I hope this note finds you well. I am writing because I was disappointed to see five items related to the Addison Circle Station development on the P&Z agenda for January 17th.

At the Fall 2022 Town Meeting residents were told not to ask any questions regarding future apartment development until a special meeting could be scheduled. A "Community Meeting to Discuss Addison's Housing and Redevelopment Policy" has now been scheduled for February 15th.

Can you please help me understand why the Addison Circle P&Z meeting on January 17th has not been pushed back until after the Community Housing meeting on February 15?

Addison residents clearly have various opinions of new apartment projects, but scheduling the P&Z meeting *before* the Housing meeting ***calls into question the very process itself.*** Squelching public commentary at the Town Meeting to then schedule zoning meetings on exactly this topic does not seem like a sincere attempt to engage residents in a two-way dialog. It seems like a way to avoid it.

City Council has the ability to reschedule these zoning topics until after the Housing meeting (and in fact I personally feel that all apartment project zoning should be taken up after the May elections).

I would appreciate any feedback you could give me on this topic Lori. I also encourage you to advocate to the rest of the council and to the Mayor that specifically delaying the hearing on the Addison Circle project on Tuesday January 17th, and delaying all project hearings related to apartment rentals in general until at least after the February 15th meeting if not longer, is the right thing to do.

Sincerely,

Mike O'Neal
5021 Morris Avenue

Council Meeting 2023 **13.**

Meeting Date: 02/13/2023

Department: Development Services

AGENDA CAPTION:

Hold a Public Hearing, Present, Discuss, and Consider Action on an **Ordinance Adopting a Development Plan for Lots 1 and 5X, Block A of Addison Circle Station – Phase I, Including a Site Plan, Landscape Plan, Facade and Floor Plans for an Office Building with Ground Floor Retail/Restaurant Uses, a Parking Structure, Site Access Drives, and Addison Road and Festival Way Streetscape Improvements on and Adjacent to a 2.7 Acre Property at the Southeast Corner of Addison Road and Festival Way.** Case 1872-Z/Office & Parking Structure, Lots 1 and 5X, Block A, Addison Circle Station – Phase I.

BACKGROUND:

The Addison Planning and Zoning Commission, meeting in regular session on January 17, 2023, voted to recommend approval of an Ordinance Adopting a Development Plan for Lots 1 and 5X, Block A of Addison Circle Station – Phase I, including a Site Plan, Landscape Plan, Façade and Floor Plans for an Office Building with Ground Floor Retail/Restaurant Uses, a Parking Structure, Site Access Drives, and Addison Road and Festival Way Streetscape Improvements on and adjacent to a 2.7 acre Property at the Southeast Corner of Addison Road and Festival Way and situated within a proposed Planned Development (PD) District (Case #1860-Z), subject to the following conditions:

- Final public and private landscape and street furnishing design to be completed during civil plan review.
- The final quantity of parking spaces, operation of the public parking structure, and retail parking accommodations in the public parking structures is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.
- Building permit approval is subject to compliance with FAA Part 77 review for building height.
- Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by the definitive agreements between the Town and Co-Developers.

Voting Aye: Branson, Catalani, Craig, Faircloth, Fansler, Souers, DeFrancisco
Voting Nay: none
Absent: none

SPEAKERS AT THE PUBLIC HEARING:

For: none
On: none
Against: none

Please refer to the staff report for additional details.

RECOMMENDATION:

Administration recommends approval.

Attachments

1872-Z Presentation
1872-Z Ordinance
1872-Z Staff Report
1872-Z Plans
1872-Z Renderings

Office & Parking Structure Development Plan
Addison Circle Station – Phase I (1872-Z)

Case 1872-Z Office & Parking Structure

LOCATION:

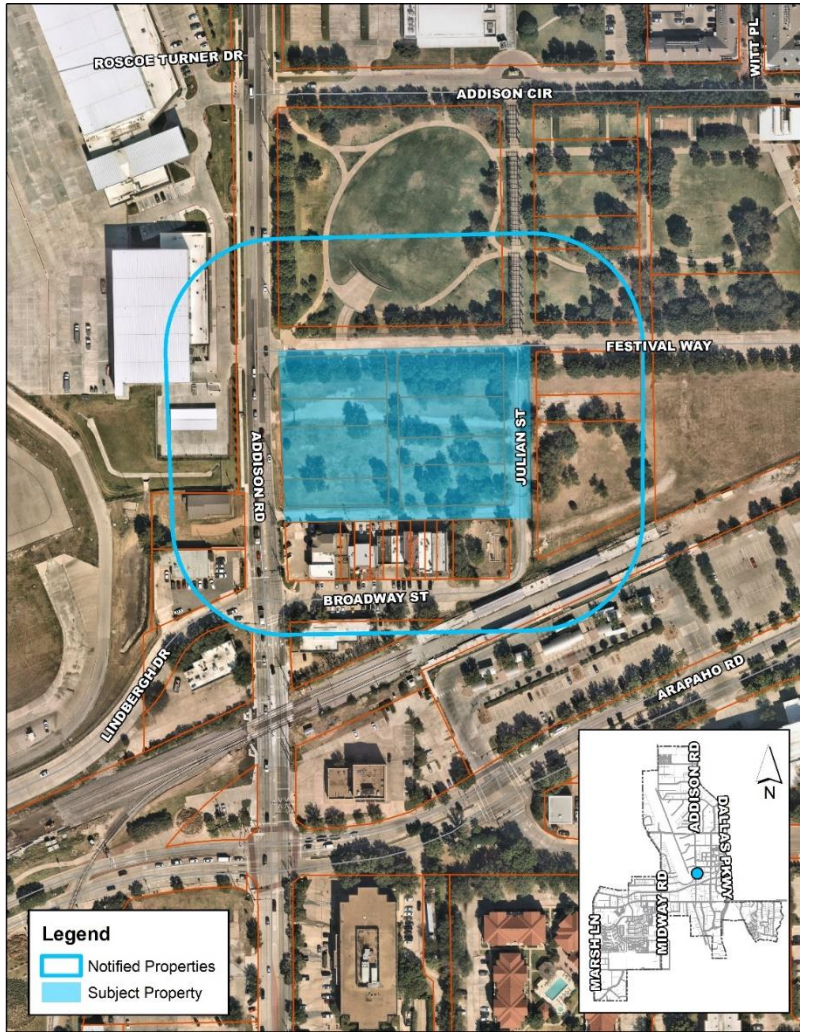
2.7 acres generally located at the southeast corner of Addison Road and Festival Way.

REQUEST:

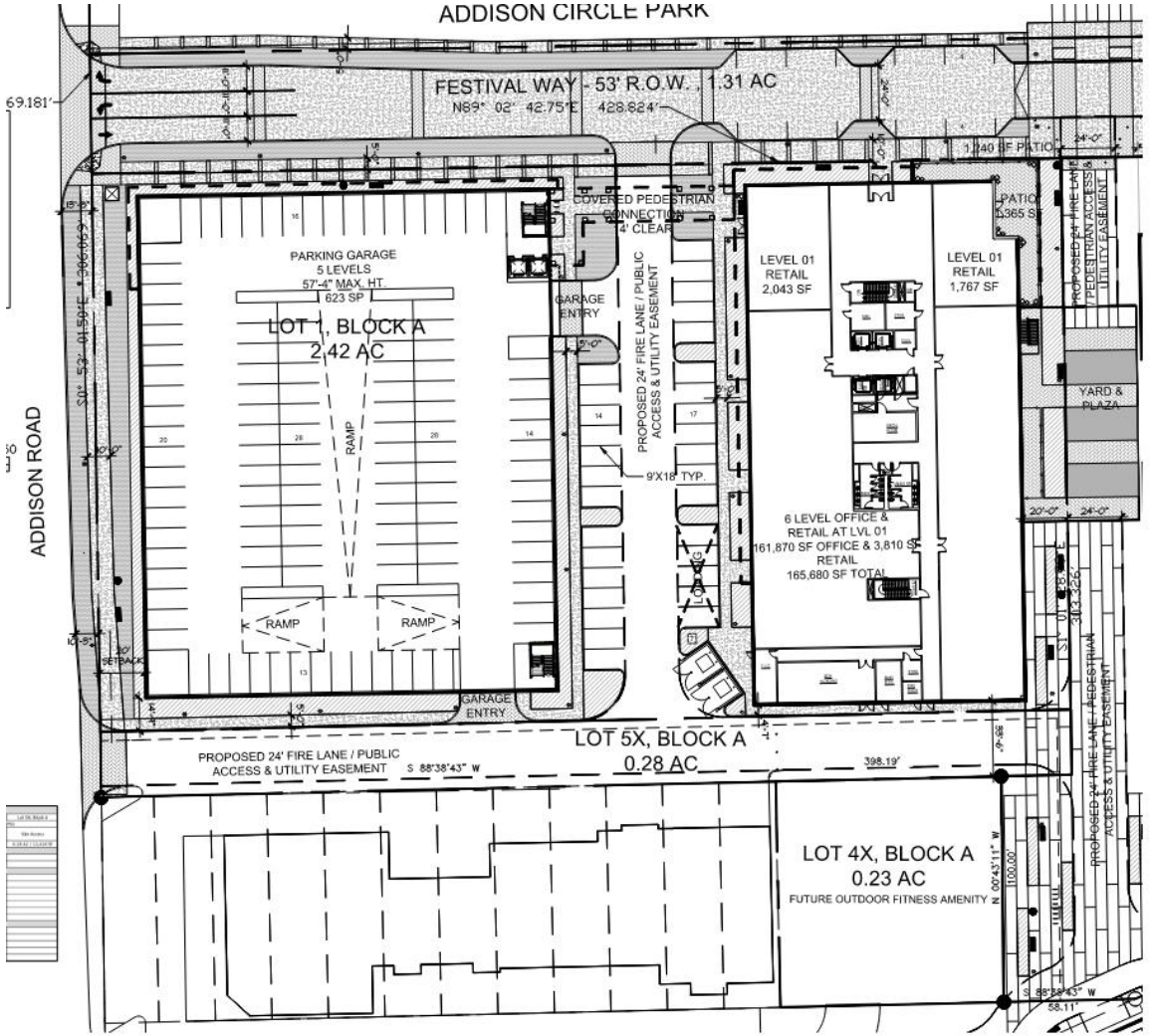
To approve a site plan, landscape plan, facade and floor plans for the construction of an office building with ground floor retail/restaurant uses, a parking structure, site access drives, and Addison Road and Festival Way streetscape improvements on and adjacent to Lots 1 and 5X, Block A of Addison Circle Station – Phase I.

ACTION REQUIRED:

Discuss, consider, and take action on the appropriateness of the proposed development plan approval request.



Case 1872-Z Office & Parking Structure



SITE PLAN:

Office & Parking Structure – Lot 1, Block A, 2.4 ac.

- 6 story office building with 162K SF of office space and 3.8K SF of retail space; 5 level public parking structure with 623 spaces; 31 off-street surface parking spaces and 8 on-street parking spaces

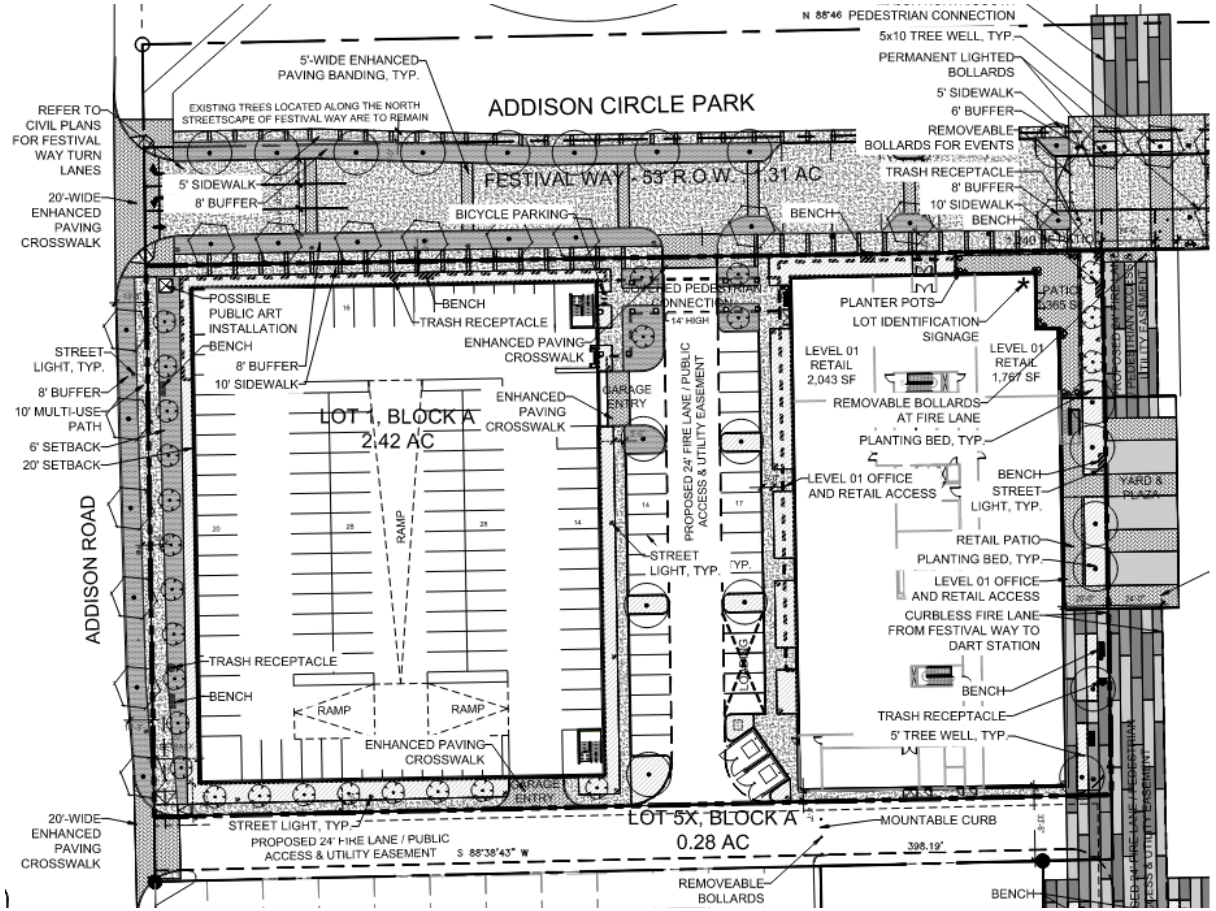
South Access Drive – Lot 5X, Block A, 0.3 ac.

- Reconstructed shared access drive (ownership to be maintained by the Town)

Festival Way/Addison Road Streetscape Improvements

- Reconfiguration of on-street parking on Festival Way and new streetscape; New streetscape on Addison Road

Case 1872-Z Office & Parking Structure



LANDSCAPE PLAN:

Street Trees

- New street trees at Addison Road and Festival Way frontage comprising mix of transplanted and new tree plantings

Base Landscape

- New planting areas within the street tree planting zone, in surface parking area, and at the base of the parking structure and office building

Special Paving Treatments

- Special paving employed at cross walks and other pedestrian zones, and at areas of visual interest within the sidewalk and in the street

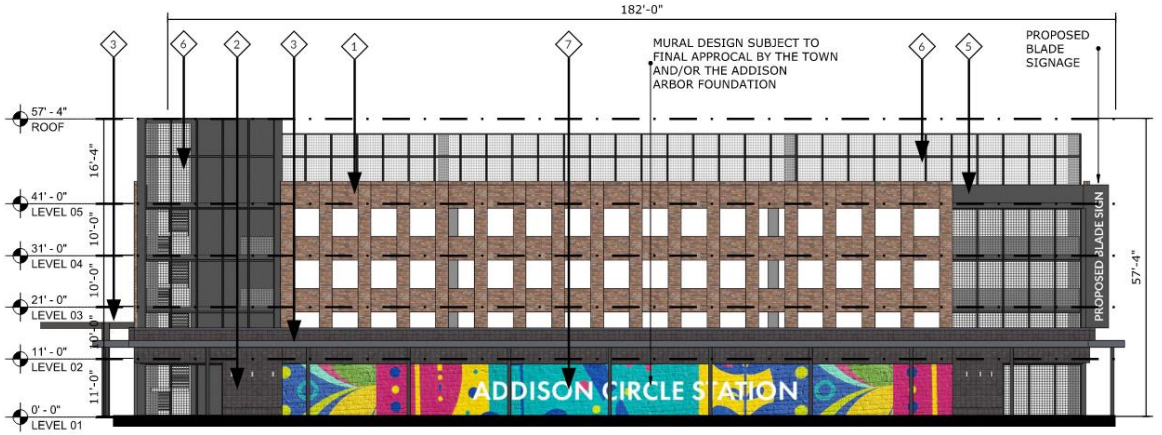
Street Furnishings

- Final design to be completed with civil plan review

Case 1872-Z Office & Parking Structure



4 OFFICE - EAST ELEVATION
SCALE: 1/16" = 1'-0"



3 GARAGE - NORTH ELEVATION
SCALE: 1/16" = 1'-0"

FAÇADE PLAN:

Building Materials

- ≥ 90 percent masonry and glazing

Scale

- 6 stories (~ 100 feet in height), maximizing building height while maintaining compatibility with the Addison Airport

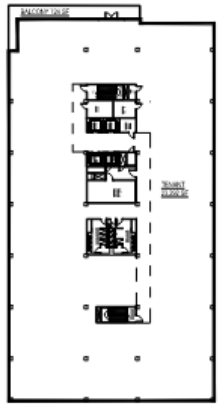
Architectural Treatment

- Strongly defined retail spaces at the ground floor – tall ceilings, transparent storefronts

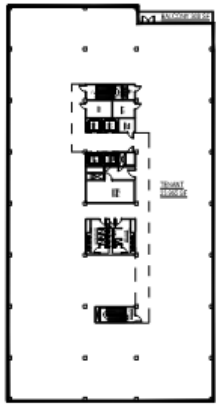
- Architectural relief through the integration of outdoor space

- Enhanced screening for parking structure, solid waste

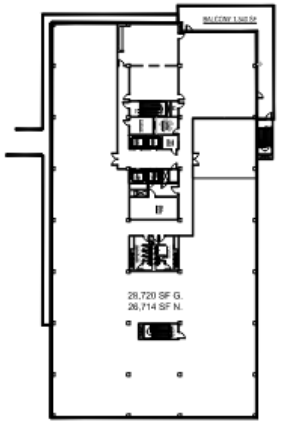
Case 1872-Z Office & Parking Structure



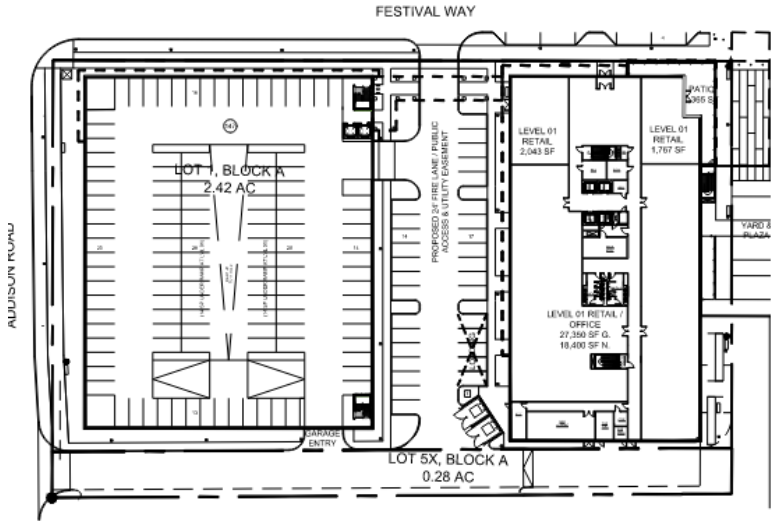
OFFICE - LEVEL 06



OFFICE - LEVEL 03, 04, 05



OFFICE - LEVEL 02



OFFICE / GARAGE - LEVEL 01

FLOOR PLAN:

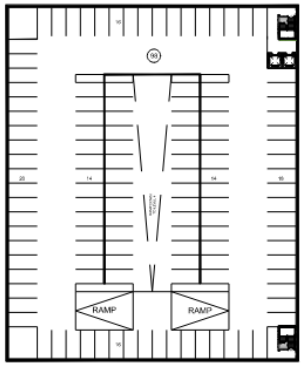
Building Floor Area

- A minimum of 160K SF of office and 3.5K SF of retail must be achieved; MOU requires 150K NRSF of office space

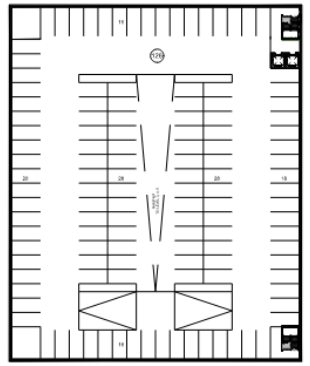
Parking Supply

- Parking supplied exceeds required parking by 105 spaces; Bike parking to be met as well

- Final parking supply and operation subject to a parking study and negotiation of definitive agreements



GARAGE - LEVEL 05



GARAGE - LEVEL 02, 03, 04

Case 1872-Z Office & Parking Structure



OTHER ZONING COMPLIANCE CONSIDERATIONS:

Sustainability

- To be negotiated and included in the definitive agreements with the Co-Developers;

  - LEED certification
  - Electric vehicle charging stations

Public Art

- Defined contribution to be negotiated and included in the definitive agreements with the Co-Developers

Case 1872-Z Office & Parking Structure



Proposed Development Character

Case 1872-Z Office & Parking Structure



Office & Parking Structure

Case 1872-Z Office & Parking Structure



Office & Parking Structure

Case 1872-Z Office & Parking Structure



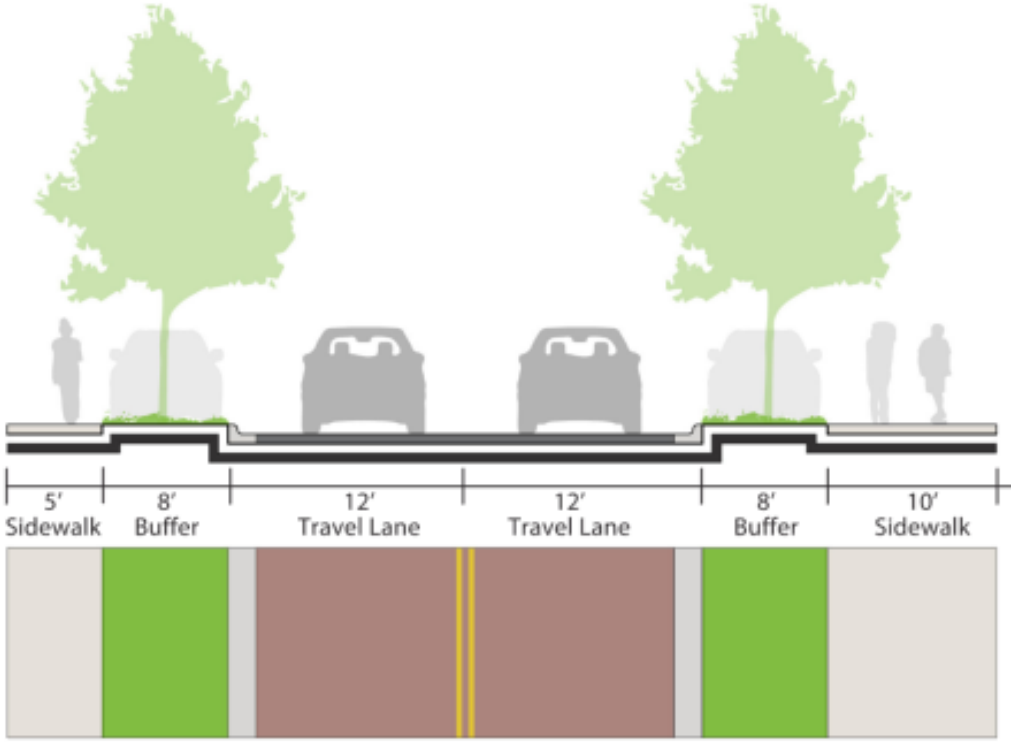
Office & Parking Structure

Case 1872-Z Office & Parking Structure

Streetscape



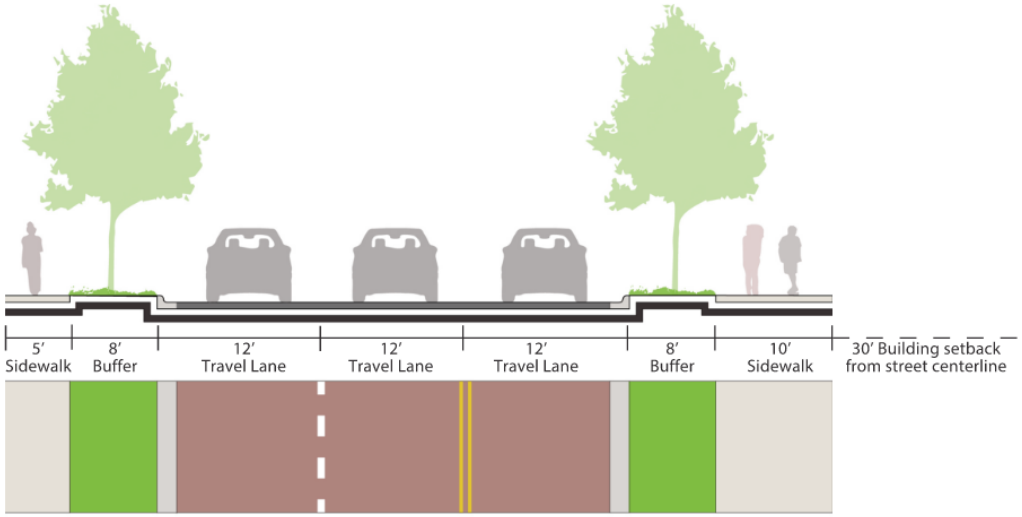
Case 1872-Z Office & Parking Structure





Master Streetscape Plan – Festival Way

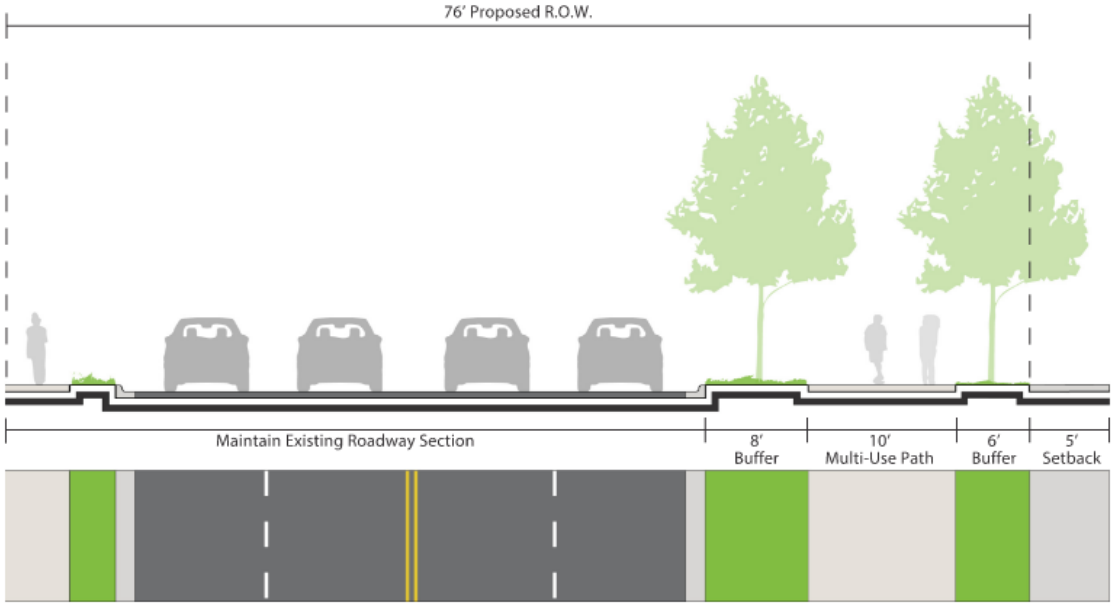
Case 1872-Z Office & Parking Structure





Master Streetscape Plan – Festival Way at Addison Road Intersection

Case 1872-Z Office & Parking Structure





Master Streetscape Plan – Addison Road

Case 1872-Z Office & Parking Structure

PUBLIC NOTICE:

Notice of public hearing was provided to property owners within 200 feet of the subject property in accordance with Town and State law.

NOTICE RECIPIENTS: 16.

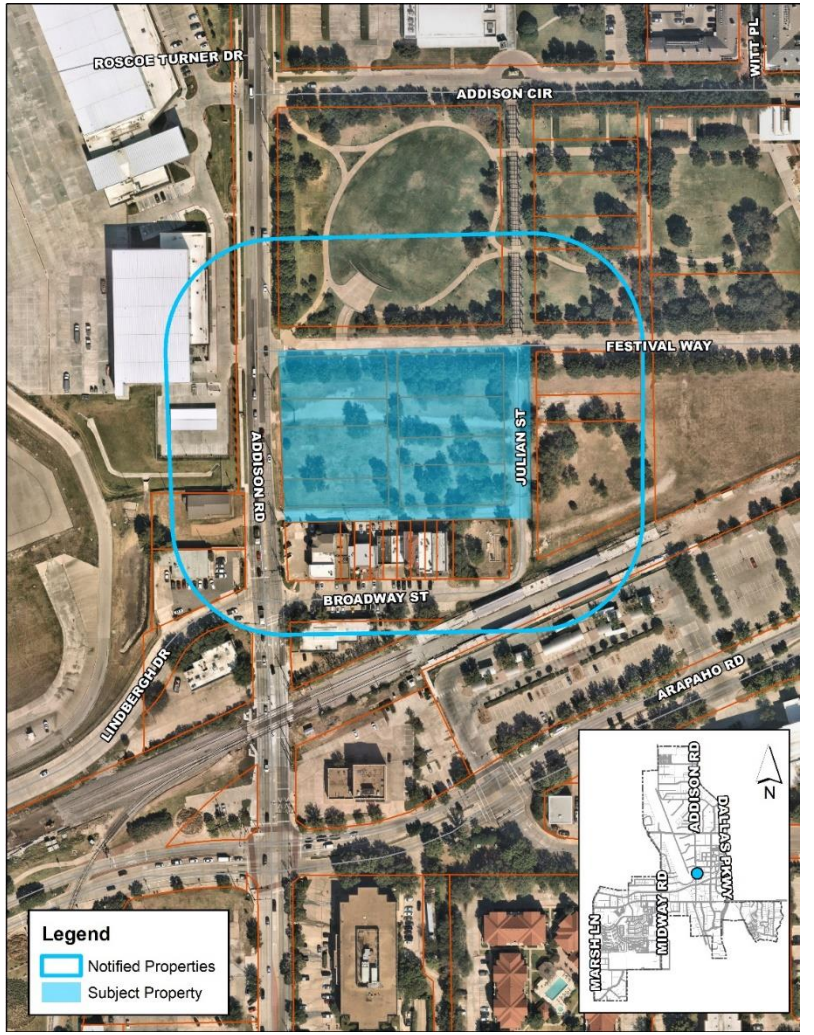
FOR: 0.
AGAINST: 0.
NEUTRAL: 0.

ADDITIONAL FEEDBACK RECEIVED:

N/A.

PLANNING & ZONING COMMISSION ACTION:

Approval: 7-0



Case 1872-Z Office & Parking Structure

RECOMMENDATION:

Staff recommends **approval with conditions:**

- Final public and private landscape and street furnishing design to be completed during civil plan review.
- The final quantity of parking spaces, operation of the public parking structure, and retail parking accommodations in the public parking structures is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.
- Building permit approval is subject to compliance with FAA Part 77 review for building height.
- Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by the definitive agreements between the Town and Co-Developers.

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS, PROVIDING FOR APPROVAL OF A DEVELOPMENT PLAN FOR LOTS 1 AND 5X, BLOCK A, ADDISON CIRCLE STATION – PHASE I, PART OF A PLANNED DEVELOPMENT (PD) ZONING DISTRICT (O23-_____), AND SITUATED ON 2.7± ACRES GENERALLY LOCATED AT THE SOUTHEAST CORNER OF ADDISON ROAD AND FESTIVAL WAY, TO ALLOW FOR THE DEVELOPMENT OF AN OFFICE BUILDING WITH GROUND FLOOR RETAIL/RESTAURANT USES, A PARKING STRUCTURE, SITE ACCESS DRIVES, AND ADDISON ROAD AND FESTIVAL WAY STREETSCAPE IMPROVEMENTS ON AND ADJACENT TO LOTS 1 AND 5X, BLOCK A; PROVIDING A PENALTY NOT TO EXCEED TWO THOUSAND AND NO/100 DOLLARS ($2,000.00); PROVIDING FOR SAVINGS, NO SEVERABILITY, AND AN EFFECTIVE DATE.

WHEREAS, at its regular meeting held on January 17, 2023 the Planning & Zoning Commission considered and made recommendations on Case No. 1872-Z, being a request to approve a Development Plan (defined herein below) for Lots 1 and 5X, Block A, Addison Circle Station – Phase I, comprising 2.7± acres generally located at the southwest corner of Addison Road and Festival Way (the "Subject Property"), to allow for the development of an office building with ground floor retail/restaurant uses, a parking structure, site access drives, and Addison Road and Festival Way streetscape improvements on and adjacent to Lots 1 and 5X, Block A; and

WHEREAS, Planned Development (PD) District O23-_____ (the "PD Ordinance"), requires approval of the Development Plan (defined herein) prior to the issuance of a building permit for the Subject Property; 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 approval of this Development Plan 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. The Subject Property shall be improved in accordance with the Development Plan, which is comprised of a site plan, landscape plan, façade and floor plans (the "Development Plan"), which is attached hereto as **Exhibit A** and made a part hereof for all purposes, subject to the following conditions:

A. Final public and private landscape and streetscape design shall be completed prior to the issuance of a permit for the construction of site infrastructure.

B. The final quantity of parking spaces, operation of the public parking structure, and retail parking accommodations in the public parking structures will be determined subject to

and following completion of a parking study and as provided in the Definitive Agreements.

C. Developer shall provide the Town evidence of compliance with FAA Part 77 building height review prior to issuance of a building permit for the Subject Property.

D. Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be required components of the Project, which will be further defined in the Definitive Agreements (as defined in the PD Ordinance).

SECTION 3. 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, Section 1-7 of the Code of Ordinances for the Town of Addison.

SECTION 4. The provisions of this Ordinance are severable, and should any section, subsection, paragraph, sentence, phrase or word of this Ordinance, or application thereof to any person, firm, corporation or other business entity or any circumstance, be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of the remaining or other parts or portions of this Ordinance, and the City Council hereby declares that it would have passed such remaining parts or portions of this Ordinance despite such unconstitutionality, illegality, or invalidity, which remaining portions shall remain in full force and effect.

SECTION 5. 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. 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.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas, on this the ***13TH*** day of **FEBRUARY** ***2023.***

TOWN OF ADDISON, TEXAS

_____

Joe Chow, Mayor

ATTEST:

Irma Parker, City Secretary

APPROVED AS TO FORM:

Whitt Wyatt, City Attorney

Exhibit A

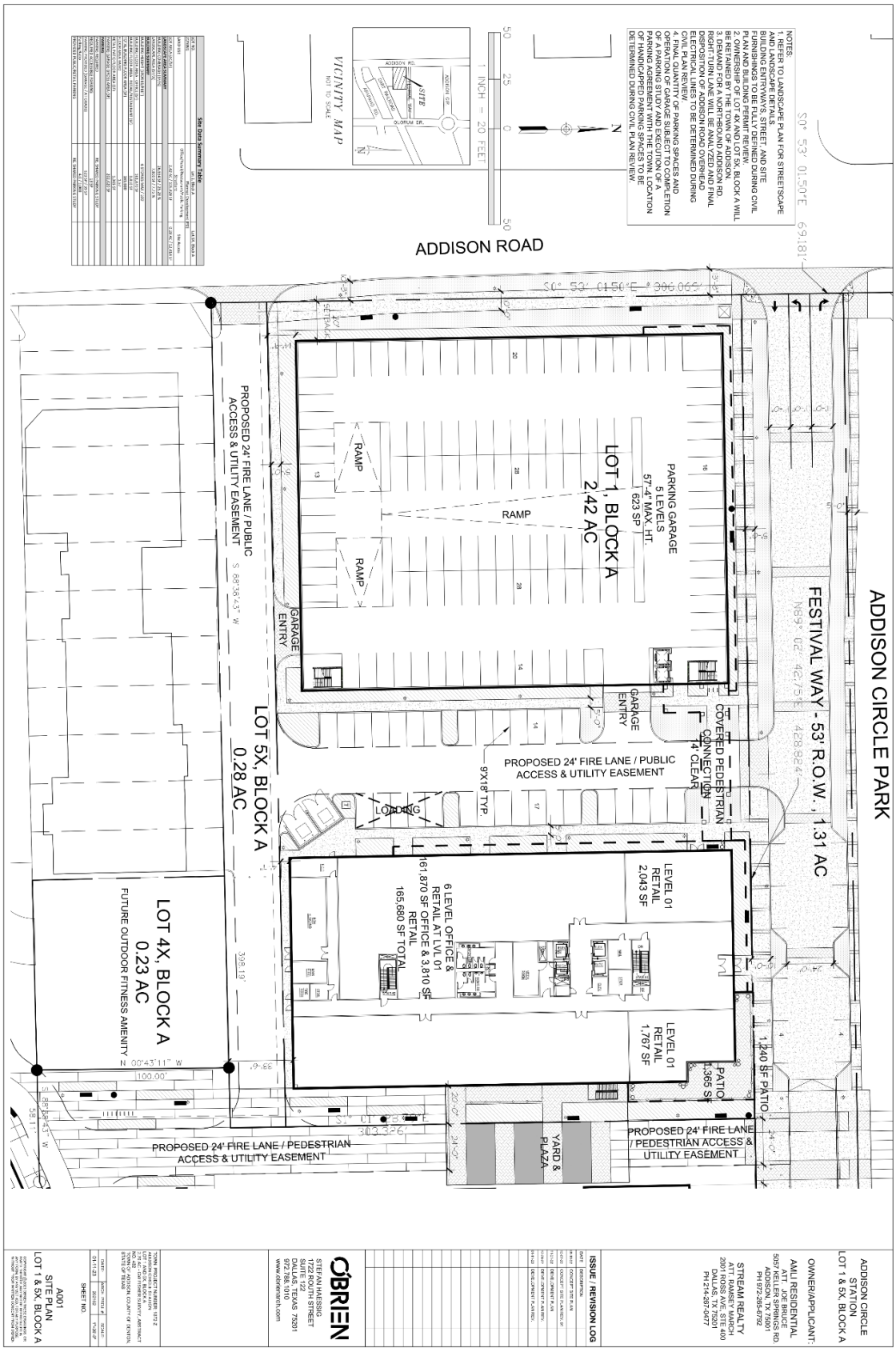

ADDISON CIRCLE PARK
FESTIVAL WAY - 53' R.O.W., 1.31 AC
ADDISON ROAD
LOT 1, BLOCK A
2.42 AC
PARKING GARAGE
5 LEVELS
57'-4" MAX. HT.
623 SP
RAMP
RAMP
RAMP
GARAGE ENTRY
GARAGE ENTRY
COVERED PEDESTRIAN CONNECTION 14' CLEAR
PROPOSED 24' FIRE LANE / PUBLIC ACCESS & UTILITY EASEMENT
PROPOSED 24' FIRE LANE / PUBLIC ACCESS & UTILITY EASEMENT
LOT 5X, BLOCK A
0.28 AC
LOT 4X, BLOCK A
0.23 AC
FUTURE OUTDOOR FITNESS AMENITY
LOADING
9'X18' TYP.
LEVEL 01
RETAIL
2,043 SF
6 LEVEL OFFICE &
RETAIL AT LVL 01
161,870 SF OFFICE & 3,810 SF
RETAIL
165,680 SF TOTAL
LEVEL 01
RETAIL
1,767 SF
PATIO
1,365 SF
1,240 SF PATIO
YARD & PLAZA
PROPOSED 24' FIRE LANE / PEDESTRIAN ACCESS & UTILITY EASEMENT
PROPOSED 24' FIRE LANE / PEDESTRIAN ACCESS & UTILITY EASEMENT
VICINITY MAP
NOT TO SCALE
SITE
ADDISON RD.
DUNCAN RD.
1 INCH = 20 FEET
NOTES:
1. REFER TO LANDSCAPE PLAN FOR STREETSCAPE AND LANDSCAPE DETAILS.
2. BUILDING ENTRYWAYS, STREET, AND SITE FURNISHINGS TO BE FULLY DEFINED DURING CIVIL PLAN REVIEW.
3. OWNERSHIP OF LOT 4X AND LOT 5X, BLOCK A WILL BE RETAINED BY THE TOWN OF ADDISON.
4. DEMAND FOR A NORTHBOUND ADDISON RD. RIGHT-TURN LANE WILL BE ANALYZED AND FINAL DESIGN WILL BE DETERMINED DURING CIVIL PLAN REVIEW.
5. FINAL QUANTITY OF PARKING SPACES AND LOCATION OF STORAGE SUBJECT TO COMPLETION OF PARKING STUDY AND EXECUTION OF PARKING AGREEMENT WITH THE TOWN. LOCATION OF HANDICAPPED PARKING SPACES TO BE DETERMINED DURING CIVIL PLAN REVIEW.
Site Data Summary Table
ADDISON CIRCLE STATION
LOT 1 & 5X, BLOCK A
OWNER/APPLICANT:
AMLI RESIDENTIAL
ATT: JOE BRUCE
5057 KELLER SPRINGS RD.
ADDISON, TX 75001
PH 972-268-8782
STREAM REALTY
ATT: RAMSEY MARCH
2001 ROSS AVENUE, SUITE 4400
DALLAS, TX 75201
PH 214-237-9477
ISSUE / REVISION LOG
DATE DESCRIPTION
O'BRIEN
STEPHEN HARDING
1722 ROUTH STREET
SUITE 1227
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com
TOWN PROJECT NUMBER 1872-Z
LOT 1 AND LOT 5X, BLOCK A
ADDISON CIRCLE ADDITION
INST. NO. - DEED RECORDS
STATE OF TEXAS
SHEET NO.
A001
SITE PLAN
LOT 1 & 5X, BLOCK A

Exhibit A

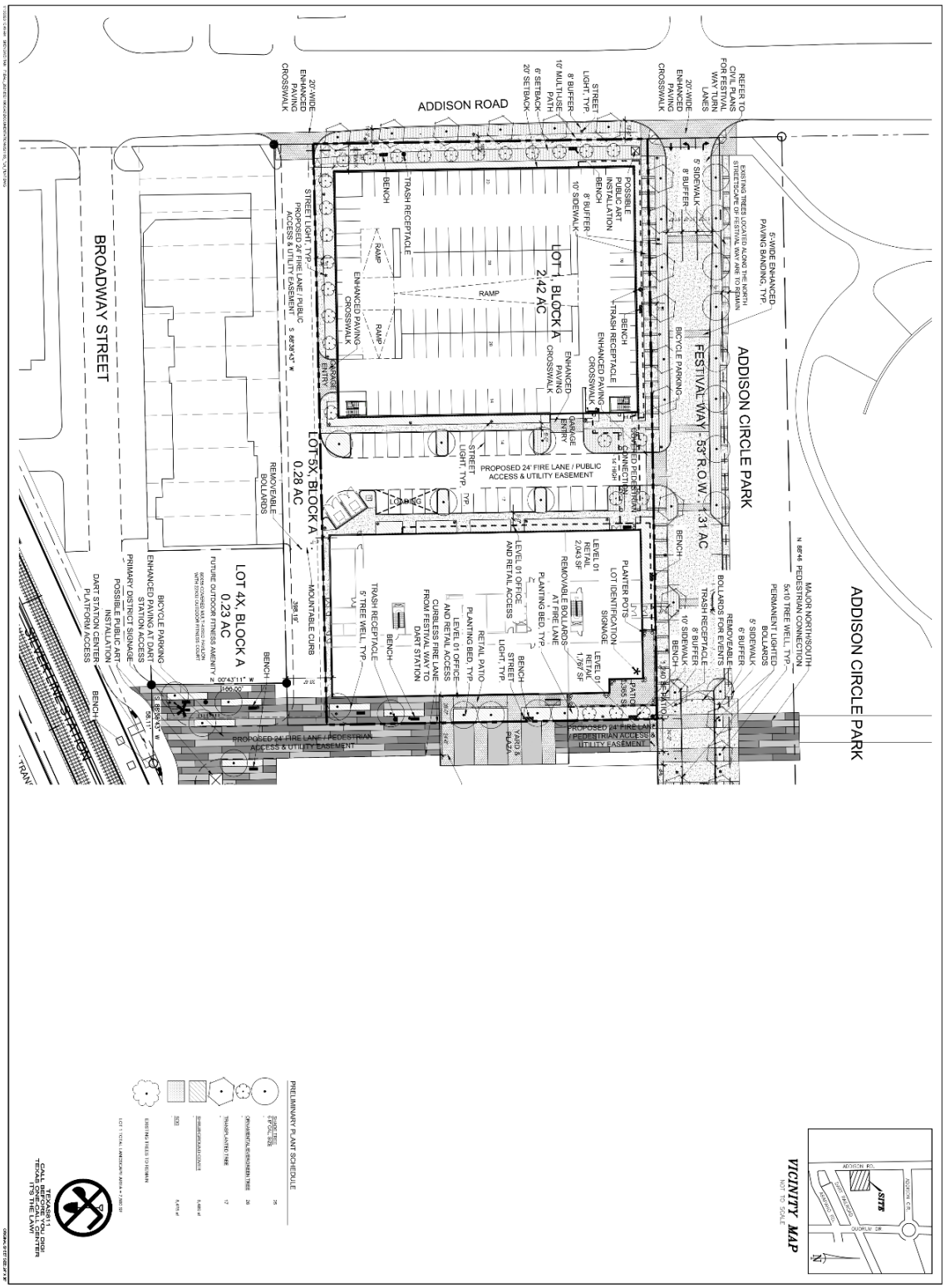

ADDISON ROAD
ADDISON CIRCLE PARK
FESTIVAL WAY - 53' R.O.W. - 1.31 AC
BROADWAY STREET
LOT 1, BLOCK A 2.42 AC
LOT 5X, BLOCK A 0.28 AC
LOT 4X, BLOCK A 0.23 AC
PROPOSED 24' FIRE LANE / PUBLIC ACCESS & UTILITY EASEMENT
PROPOSED 24' FIRE LANE / PEDESTRIAN ACCESS & UTILITY EASEMENT
STREET LIGHT, TYP.
TRASH RECEPTACLE
BENCH
RAMP
ENHANCED PAVING CROSSWALK
REMOVABLE BOLLARDS
PLANTER POTS
LOT IDENTIFICATION SIGNAGE
PLANTING BED, TYP.
RETAIL PATIO
TREE GRATE, TYP.
TRASH RECEPTACLE
5' TREE WELL, TYP.
BICYCLE PARKING
ENHANCED PAVING AT DART STATION ACCESS
PRIMARY DISTRICT SIGNAGE
POSSIBLE PUBLIC ART INSTALLATION
DART STATION CENTER PLATFORM ACCESS
FUTURE OUTDOOR FITNESS AMENITY
MOUNTABLE CURB
BENCH
TRASH RECEPTACLE
STREET LIGHT, TYP.
PROPOSED 24' FIRE LANE / PUBLIC ACCESS & UTILITY EASEMENT
20' WIDE ENHANCED PAVING CROSSWALK
8' BUFFER
10' MULTI-USE PATH
6' SETBACK
20' SETBACK
5' SIDEWALK
5' BUFFER
REFER TO CIVIL PLANS FOR FESTIVAL WAY TURN LANES
EXISTING TREES LOCATED ALONG THE NORTH STREETSCAPE OF FESTIVAL WAY ARE TO REMAIN
5' WIDE ENHANCED PAVING BANDING, TYP.
MAJOR NORTH/SOUTH PEDESTRIAN CONNECTION
5x10 TREE WELL, TYP.
PERMANENT LIGHTED BOLLARDS
BOLLARDS FOR EVENTS
TRASH RECEPTACLE
8' BUFFER
5' SIDEWALK
10' SIDEWALK
BENCH
LEVEL 01 RETAIL 2,043 SF
LEVEL 01 RETAIL 1,097 SF
LEVEL 01 OFFICE AND RETAIL ACCESS
CURBLESS PEDESTRIAN ACCESS FROM FESTIVAL WAY TO DART STATION
STREET LIGHT, TYP.
PATIO
PEDESTRIAN PLAZA
GARAGE ENTRY
POSSIBLE PUBLIC ART INSTALLATION
BENCH
8' BUFFER
10' SIDEWALK
TRASH RECEPTACLE
RAMP
ENHANCED PAVING CROSSWALK
GARAGE ENTRY
N 89°46' PEDESTRIAN CONNECTION
S 89°38'43" W
N 00°43'11" W
100.00'
S 89°38'43" W
ADDISON CIRCLE PARK
SITE
ADDISON RD.
ADDISON CIR.
FESTIVAL WAY
QUORUM DR.
VICINITY MAP
NOT TO SCALE
PRELIMINARY PLANT SCHEDULE
REVISION / ISSUANCE
ADDISON CIRCLE STATION PHASE I
LOT 1X & LOT 5X, BLOCK A LANDSCAPE PLAN
L6-10
LandDesign.

Exhibit A

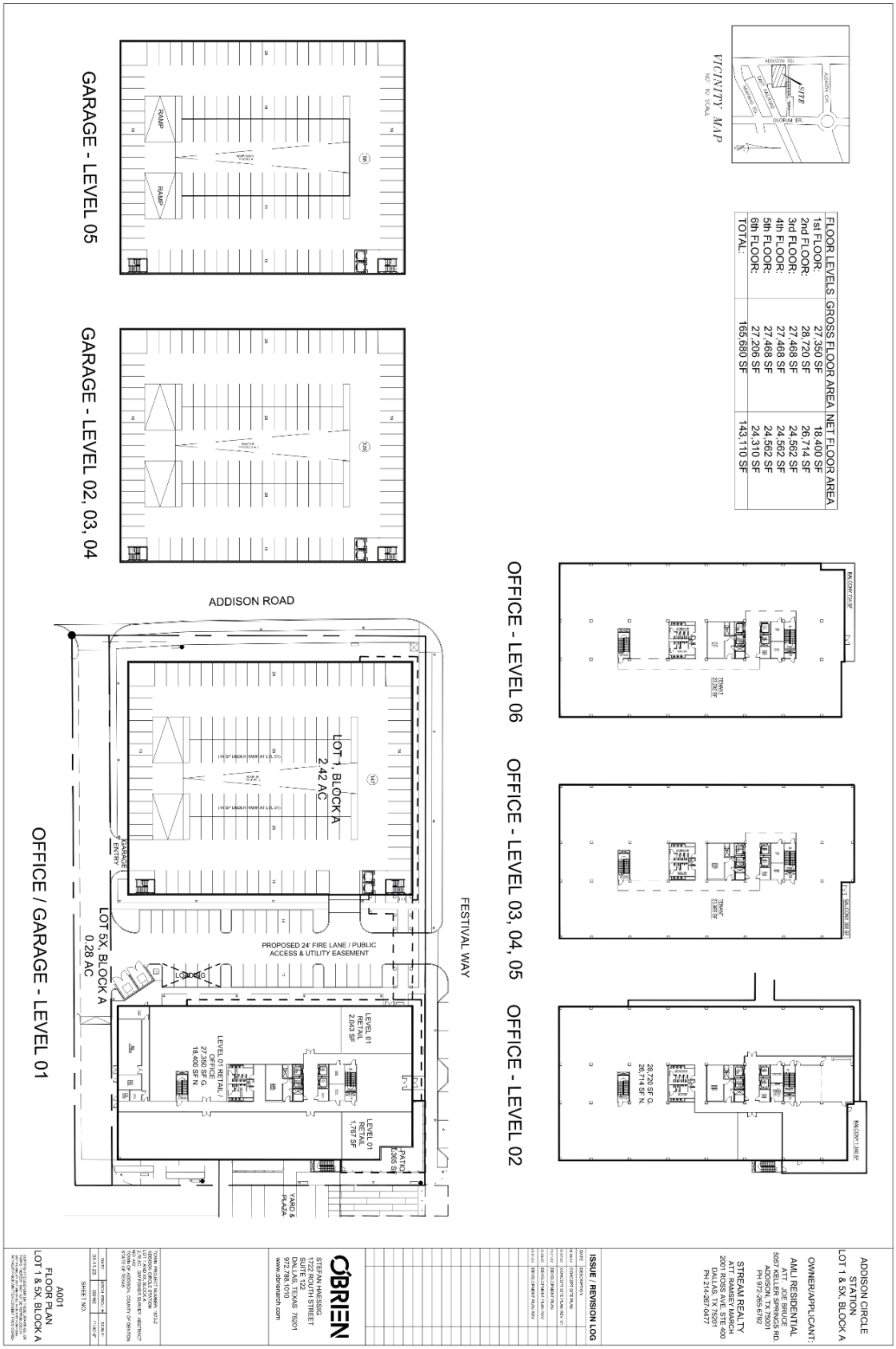

ADDISON CIRCLE STATION
LOT 1 & 5X, BLOCK A
OWNER/APPLICANT:
AMLI RESIDENTIAL
ATT: JOE BRUCE
5057 KELLER SPRINGS RD.
ADDISON, TX 75001
PH 972-268-9792
STREAM REALTY
ATT: RAMSEY MARCH
200 CRESCENT CT. STE 400
DALLAS, TX 75201
PH 214-267-0477
ISSUE / REVISION LOG
VICINITY MAP
NO TO SCALE
ADDISON RD.
SITE
OLEORUM DR.
FLOOR LEVELS GROSS FLOOR AREA NET FLOOR AREA
1st FLOOR: 27,350 SF 18,400 SF
2nd FLOOR: 28,720 SF 26,714 SF
3rd FLOOR: 27,468 SF 24,562 SF
4th FLOOR: 27,468 SF 24,562 SF
5th FLOOR: 27,468 SF 24,562 SF
6th FLOOR: 27,206 SF 24,310 SF
TOTAL: 165,680 SF 143,110 SF
GARAGE - LEVEL 05
GARAGE - LEVEL 02, 03, 04
RAMP
RAMP
OFFICE - LEVEL 06
OFFICE - LEVEL 03, 04, 05
OFFICE - LEVEL 02
BALCONY 324 SF
BALCONY 3,865 SF
BALCONY 1,767 SF
28,720 SF G.
26,714 SF N.
OFFICE / GARAGE - LEVEL 01
ADDISON ROAD
FESTIVAL WAY
LOT 1, BLOCK A
2.42 AC
LOT 5X, BLOCK A
0.28 AC
GARAGE ENTRY
PROPOSED 24' FIRE LANE / PUBLIC ACCESS & UTILITY EASEMENT
LEVEL 01 RETAIL 2,043 SF
LEVEL 01 RETAIL / OFFICE 27,350 SF G. 18,400 SF N.
LEVEL 01 RETAIL 1,767 SF
PATIO 3,865 SF
YARD & PLAZA
O'BRIEN
STEPAN PAESSING
1722 ROUTH STREET
SUITE 922
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com
TOWN PROJECT NUMBER: 1872-Z
LOT 1 & 5X, BLOCK A, ADDISON CIRCLE STATION
BEING 2.70 AC. OUT OF FISHER SURVEY, ABSTRACT NO. 482
TOWN OF ADDISON, COUNTY OF DENTON, STATE OF TEXAS
DATE: 01.11.23
SCALE: 1/16"=1'-0"
SHEET NO.
A001
FLOOR PLAN
LOT 1 & 5X, BLOCK A

Exhibit A


4 OFFICE - EAST ELEVATION
SCALE: 1/16" = 1'-0"
2 OFFICE - WEST ELEVATION
SCALE: 1/16" = 1'-0"
3 OFFICE - NORTH ELEVATION
SCALE: 1/16" = 1'-0"
1 OFFICE - SOUTH ELEVATION
SCALE: 1/16" = 1'-0"
FACADE PLAN NOTES
OFFICE FACADE KEYNOTES
GENERAL NOTES
KEY PLAN
PROJECT TITLE
ADDISON
CIRCLE STATION
LOT 01 & LOT 5X
BLOCK A
OWNER/APPLICANT:
AMLI RESIDENTIAL
ATTN: JOE BRUCE
8057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
75001
PH 972-285-8792
STREAM REALTY
ATT: RAMSEY MARCH
2001 ROSS AVE. STE 400
DALLAS, TX 75201
PH 214-267-0477
O'BRIEN
1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com
ISSUE/REVISION LOG
DATE
DESCRIPTION
09-9-22
CONCEPT SITE PLAN
12-12-22
DEVELOPMENT PLANNING
03-9-23
DEVELOPMENT PLANNING
04-9-23
DEVELOPMENT PLANNING
TOWN PROJECT NUMBER
1872-Z
ADDISON CIRCLE STATION
LOT 01 & LOT 5X, BLOCK A
217 AC- G.W. FISHER SURVEY,
ABSTRACT NO.482
16.64 ACRES
TOWN OF ADDISON, COUNTY
OF DALLAS, STATE OF TEXAS
DATE
01-9-23
SHEET NO.
A003
ELEVATIONS
OFFICE

Exhibit A

4 GARAGE - EAST ELEVATION
SCALE: 1/16" = 1'-0"
3 GARAGE - NORTH ELEVATION
SCALE: 1/16" = 1'-0"
2 GARAGE - WEST ELEVATION
SCALE: 1/16" = 1'-0"
1 GARAGE - SOUTH ELEVATION
SCALE: 1/16" = 1'-0"
OPEN TO BEYOND
ADDISON CIRCLE STATION
MURAL DESIGN SUBJECT TO APPROVAL BY THE TOWN AND/OR THE ADDISON ARBOR FOUNDATION
PROPOSED #LADE SIGN
PROPOSED PUBLIC ART/MURAL
FACADE PLAN NOTES
OFFICE GARAGE FACADE KEYNOTES
GENERAL NOTES
KEY PLAN
PROJECT TITLE:
ADDISON CIRCLE STATION
LOT 01 & LOT 5X
BLOCK A
ADDISON TEXAS
OWNER/APPLICANT:
AMLI RESIDENTIAL
ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS 75001
PH 972-295-8792
STREAM REALTY
ATT: RAMSEY MARCH
200 ROSS AVE, STE 400
DALLAS, TX 75201
PH: 214-287-0477
O'BRIEN
1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com
ISSUE/REVISION LOG
DATE DESCRIPTION
09-19-22 CONCEPT SITE PLAN
11-29-22 DEVELOPMENT PLAN
12-29-22 DEVELOPMENT PLAN REV.
01-11-23 DEVELOPMENT PLAN REV.
TOWN PROJECT NUMBER:
1872-Z
ADDISON CIRCLE STATION
LOT 01 & LOT 5X, BLOCK A
2.7 AC~ G.W. FISHER SURVEY, ABSTRACT NO. 482
154.6 ACRES
TOWN OF ADDISON, COUNTY OF DALLAS, STATE OF TEXAS
DATE
01-11-23
ARCH. REG. #
23963
SHEET NO.
A005
OFFICE GARAGE ELEVATIONS
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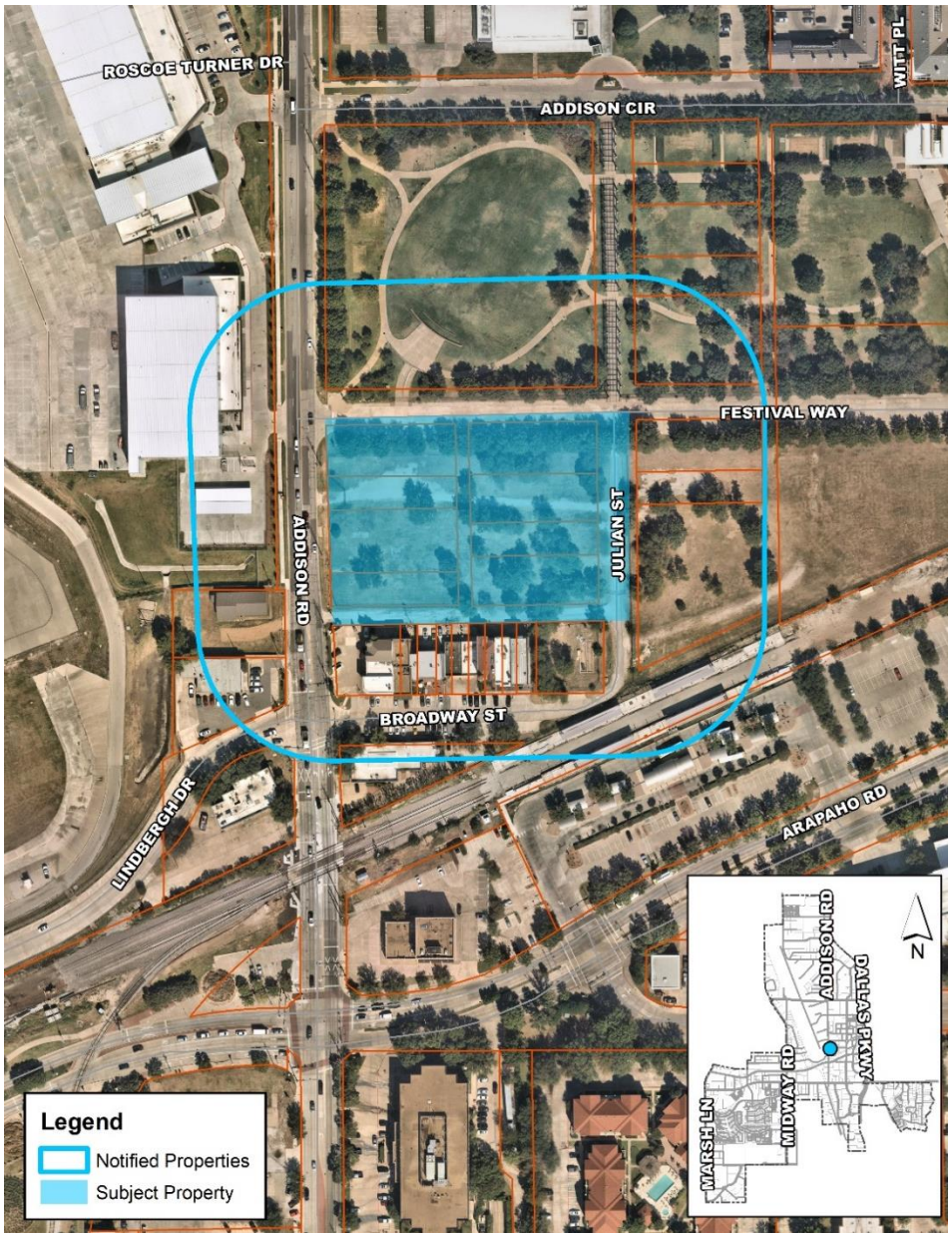
Exhibit A

FACADE PLAN NOTES
KEY PLAN
8' - 0"
6"
PREFINISHED METAL COPING
PRECAST CONCRETE PANELS WITH THIN-BRICK VENEER
6x6 STEEL TUBE PRIMED AND PAINTED
BOLLARD
CURB
2 DUMPSTER ENCLOSURE - SIDE VIEW
8' - 0"
PREFINISHED METAL COPING
PRECAST CONCRETE PANELS WITH THIN-BRICK VENEER
GRADE
LEVEL 1
100' - 0"
1 DUMPSTER ENCLOSURE - REAR VIEW
PROJECT TITLE
ADDISON CIRCLE STATION
LOT 01 & LOT 5X
BLOCK A
ADDISON, TEXAS
OWNER/APPLICANT:
AMLI RESIDENTIAL
ATTN: JOE BRUCE
5057 KEELER SPRINGS BD.
STE 250 ADDISON, TEXAS 75001
PH: 972-265-6782
STREAM REALTY
ATT: RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH: 214-267-0477
ISSUE/REVISION LOG
DATE
08-9-22
DESCRIPTION
CONCEPT SITE PLAN
11-28-24
DEVELOPMENT PLAN REV.
12-19-24
DEVELOPMENT PLAN REV.
01-31-25
DEVELOPMENT PLAN REV.
O'BRIEN
1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com
TOWN PROJECT NUMBER:
1872-Z
ADDISON CIRCLE STATION
LOT 01 & LOT 5X, BLOCK A
2.7 AC+/-W.I. FISHER SURVEY,
ABSTRACT NO.482
15.64 ACRES
TOWN OF ADDISON, COUNTY
OF DALLAS, STATE OF TEXAS
DATE
01-31-25
WORK PROJ. #
20232
SHEET NO.
A006
OFFICE GARAGE
ELEVATIONS

1872-Z

PUBLIC HEARING Case 1872-Z/Office & Parking Structure, Lots 1 and 5X, Block A, Addison Circle Station – Phase I. Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance Adopting a Development Plan for Lots 1 and 5X, Block A of Addison Circle Station – Phase I, Including a Site Plan, Landscape Plan, Facade and Floor Plans for an Office Building with Ground Floor Retail/Restaurant Uses, a Parking Structure, Site Access Drives, and Addison Road and Festival Way Streetscape Improvements on and adjacent to a 2.7 Acre Property at the Southeast Corner of Addison Road and Festival Way.

LOCATION MAP



January 17, 2023

STAFF REPORT

RE:	1872-Z/Office & Parking Structure, Lots 1 and 5X, Block A, Addison Circle Station – Phase 1
LOCATION:	2.7 acres generally located at the southeast corner of Addison Road and Festival Way
REQUEST:	Development plan approval for Lots 1 and 5X, Block A of Addison Circle Station - Phase I. (Application Date: 11/21/2022)
APPLICANT:	Brad Dornak, Stream Realty Partners, and the Town of Addison

DISCUSSION:

Background: The proposed 2.4 acre Lot 1, Block A is comprised of a 6-story office building accommodating a minimum of 161,870 square feet of office floor area, and 3,810 square feet of retail/restaurant space and a 1,365 square foot patio at the ground floor engaging Festival Way and the planned retail/restaurant/entertainment node to the east. To the west of the office building, a 5-level, 623± space public parking structure will be constructed at the intersection of Addison Road and Festival Way.

Access to the parking structure will be provided from the 0.28 acre Lot 5X, Block A, which will comprise a reconstructed street that will also provide rear access to adjacent properties to the south, and from a drive aisle connecting to Festival Way, that also accommodates a small amount of on-street visitor parking. The 0.23 acre Lot 4X, Block A will be programmed by the Co-Developers to accommodate a fitness theme, which will capitalize on its direct access to the future Cottonbelt trail. Future programming is anticipated to include an outdoor fitness court, a pavilion, and a multipurpose space that may accommodate a pickleball court or other active programming.

The Planned Development (PD) zoning process in Addison is a two-step process. The first step, which will be addressed through the consideration of Rezoning Request, Case 1860-Z, includes initial rezoning, and adoption of an associated concept plan and development standards. With this request, the Town and Co-Developers are proceeding with the second step of the PD zoning process, Development Plan approval. Any action taken on this request is subject to approval of and any applicable conditions applied to Rezoning Request, Case 1860-Z.

Proposed Development Plan: The development plans include the site plan, landscape plan, façade, and floor plans for the office building with ground floor retail/restaurant space, a parking

structure, site access drives, and streetscape improvements where this development site fronts Addison Road and Festival Way for Lots 1 and 5X, Block A.

Staff Review: The purpose of this review is to determine compliance with the concept plan, development standards, and any associated conditions presented by the Planning & Zoning Commission's review of Case 1860-Z.

Use: The applicant is proposing a 5-level parking structure providing 623 spaces. To the east of the parking garage, a 6-story office building including 161,870 square feet of office space with 3,810 square feet of ground floor retail/restaurant space is proposed. A 1,365 square foot patio is anticipated at the northeast corner of the building, accessible from the ground floor retail/restaurant space. **The proposed uses comply with the permitted uses presented by Rezoning Request, Case 1860-Z.**

Concept Plan and Development Standards:

Landscape and Public Open Space: The proposed landscape plan has accommodated street trees and planting zones as required by the Streetscape Master Plan, through preservation and transplanting of existing trees, and planting new trees. The plan accommodates appropriate landscape treatments to applicable common areas and public open space and includes needed street furnishings such as benches, trash receptacles, streetlight, and bicycle parking, with final design of these very detailed elements to be refined during civil plan review.

Streetscape Standards and Pavement Treatments: The proposed site plan achieves the minimum building setbacks from Addison Road and Festival Way, as well as the required sidewalk clear widths of 10 feet on Addison Road and Festival Way. Special paving treatments are appropriately applied throughout the streetscape and at pedestrian crosswalks.

Office & Parking Structure Form Standards: The proposed façade plan achieves the 6-story minimum building height, subject to future FAA Part 77 review. The proposed office building exceeds the minimum office floor area of 160,000 square feet and the minimum ground floor retail leasable floor area of 3,500 square feet. The ground floor retail space exceeds the 15-foot minimum floor to floor height, providing an elevated pedestrian experience at the Festival Way frontage.

Parking: The proposed 662 parking spaces exceeds the minimum parking required by 105 spaces. The final quantity of parking spaces and operation of the parking structure is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.

Façade: The proposed façade plan is subject to any negotiated conditions included in the definitive agreements between the Town and Co-Developers.

Mechanical Equipment and Solid Waste: The façade plan depicts all proposed mechanical equipment as being roof-mounted and appropriately screened. Solid waste and recycling facilities are situated within a masonry dumpster enclosure at the southwest corner of the office building.

Sustainability: Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by the definitive agreements between the Town and Co-Developers.

The proposed site, landscape and building design complies with the concept plan and development standards presented by Rezoning Request, Case 1860-Z.

RECOMMENDATION: **APPROVAL WITH CONDITIONS**

Staff has reviewed the Development Plan and determined it to be in compliance with the concept plan and development standards prescribed by Rezoning Request, Case 1860-Z.

Staff recommends approval of the request subject to the following conditions:

- Final public and private landscape and street furnishing design to be completed during civil plan review.
- The final quantity of parking spaces, operation of the public parking structure, and retail parking accommodations in the public parking structures is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.
- Building permit approval is subject to compliance with FAA Part 77 review for building height.
- Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by the definitive agreements between the Town and Co-Developers.

Case 1872-Z/ Office & Parking Structure, Lots 1 and 5X, Block A, Addison Circle Station – Phase I

January 17, 2023

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on January 17, 2023, voted to recommend approval of an Ordinance Adopting a Development Plan for Lots 1 and 5X, Block A of Addison Circle Station – Phase I, including a Site Plan, Landscape Plan, Façade and Floor Plans for an Office Building with Ground Floor Retail/Restaurant Uses, a Parking Structure, Site Access Drives, and Addison Road and Festival Way Streetscape Improvements on and adjacent to a 2.7 acre Property at the Southeast Corner of Addison Road and Festival Way and situated within a proposed Planned Development (PD) District (Case #1860-Z), subject to the following conditions:

- Final public and private landscape and street furnishing design to be completed during civil plan review.

- The final quantity of parking spaces, operation of the public parking structure, and retail parking accommodations in the public parking structures is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.

- Building permit approval is subject to compliance with FAA Part 77 review for building height.

- Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by the definitive agreements between the Town and Co-Developers.

Voting Aye: Branson, Catalani, Craig, Faircloth, Fansler, Souers, DeFrancisco
Voting Nay: none
Absent: none

SPEAKERS AT THE PUBLIC HEARING:

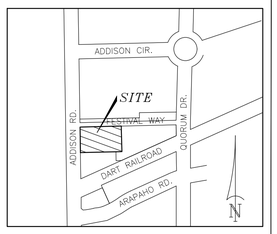
For: none
On: none
Against: none

NOTES:
1. REFER TO LANDSCAPE PLAN FOR STREETSCAPE AND LANDSCAPE DETAILS.
BUILDING ENTRYWAYS, STREET, AND SITE FURNISHINGS TO BE FULLY DEFINED DURING CIVIL PLAN AND BUILDING PERMIT REVIEW.
2. OWNERSHIP OF LOT 4X AND LOT 5X, BLOCK A WILL BE RETAINED BY THE TOWN OF ADDISON.
3. DEMAND FOR A NORTHBOUND ADDISON RD. RIGHT-TURN LANE WILL BE ANALYZED AND FINAL DISPOSITION OF ADDISON ROAD OVERHEAD ELECTRICAL LINES TO BE DETERMINED DURING CIVIL PLAN REVIEW.
4. FINAL QUANTITY OF PARKING SPACES AND OPERATION OF GARAGE SUBJECT TO COMPLETION OF A PARKING STUDY AND EXECUTION OF A PARKING AGREEMENT WITH THE TOWN. LOCATION OF HANDICAPPED PARKING SPACES TO BE DETERMINED DURING CIVIL PLAN REVIEW.

N

50 25 0 50

1 INCH = 20 FEET



VICINITY MAP
NOT TO SCALE

ADDISON CIRCLE PARK

FESTIVAL WAY - 53' R.O.W. , 1.31 AC

S0° 53' 01.50"E 69.181'

N89° 02' 42.75"E 428.824'

ADDISON ROAD

S0° 53' 01.50"E 306.069'

PARKING GARAGE
5 LEVELS
57'-4" MAX. HT.
623 SP

LOT 1, BLOCK A
2.42 AC

RAMP

RAMP

RAMP

COVERED PEDESTRIAN CONNECTION
14' CLEAR

GARAGE ENTRY

PROPOSED 24' FIRE LANE / PUBLIC ACCESS & UTILITY EASEMENT

9'X18' TYP.

LEVEL 01
RETAIL
2,043 SF

LEVEL 01
RETAIL
1,767 SF

1,240 SF PATIO

PATIO
1,365 SF

PROPOSED 24' FIRE LANE / PEDESTRIAN ACCESS & UTILITY EASEMENT

YARD & PLAZA

6 LEVEL OFFICE & RETAIL AT LVL 01
161,870 SF OFFICE & 3,810 SF RETAIL
165,680 SF TOTAL

LOADING

20' SETBACK

GARAGE ENTRY

PROPOSED 24' FIRE LANE / PUBLIC ACCESS & UTILITY EASEMENT S 88°38'43" W

LOT 5X, BLOCK A
0.28 AC

398.19'

LOT 4X, BLOCK A
0.23 AC
FUTURE OUTDOOR FITNESS AMENITY

N 00°43'11" W 100.00'

S 88°38'43" W 58.11'

S 01°28'17" E 303.326'

PROPOSED 24' FIRE LANE / PEDESTRIAN ACCESS & UTILITY EASEMENT

Site Data Summary Table		
LOT NO.	Lot 1, Block A	Lot 5X, Block A
ZONING	Planned Development (PD)	
LAND USE	Office/Retail/Restaurant/Public Parking Structure	Site Access
LOT AREA (AC/SF)	2.42 AC / 105,428 SF	0.28 AC / 12,414 SF
LANDSCAPE AREA SUMMARY		
BUILDING COVERAGE (SF/%)	26,654 SF / 25.28 %	
LANDSCAPE AREA (SF/%)	7,800 SF / 7.75 %	
BUILDING SUMMARY		
BUILDING HEIGHT (STORIES/FEET)	6 STORIES MAX / 100'	
BUILDING FLOOR AREA - OFFICE (SF)	161,870 SF	
BUILDING FLOOR AREA - RETAIL/RESTAURANT (SF)	3,810 SF	
TOTAL BUILDING FLOOR AREA (SF)	165,680	
FLOOR AREA RATIO	1.57	
RETAIL PATIO FLOOR AREA (SF)	1,365 SF	
PARKING GARAGE GROSS AREA (SF)	202,020 SF	
PARKING		
PARKING REQUIRED	RE. SHARED PARKING STUDY	
REQUIRED ACCESSIBLE PARKING	13 SP	
PARKING PROVIDED (GARAGE / AT GRADE)	623 SP / 39 SP	
Parking Ratio	4.0 / 1,000	
PROVIDED PUBLIC/RETAIL PARKING	RE. SHARED PARKING STUDY	

ADDISON CIRCLE
STATION
LOT 1 & 5X, BLOCK A

OWNER/APPLICANT:

AMLI RESIDENTIAL
ATT. JOE BRUCE
5057 KELLER SPRINGS RD.
ADDISON, TX 75001
PH 972-265-6792

STREAM REALTY
ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-267-0477

ISSUE / REVISION LOG

DATE	DESCRIPTION
08-19-22	CONCEPT SITE PLAN
10-07-22	CONCEPT SITE PLAN REV. 01
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O'BRIEN
STEFAN HAESSIG
1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com

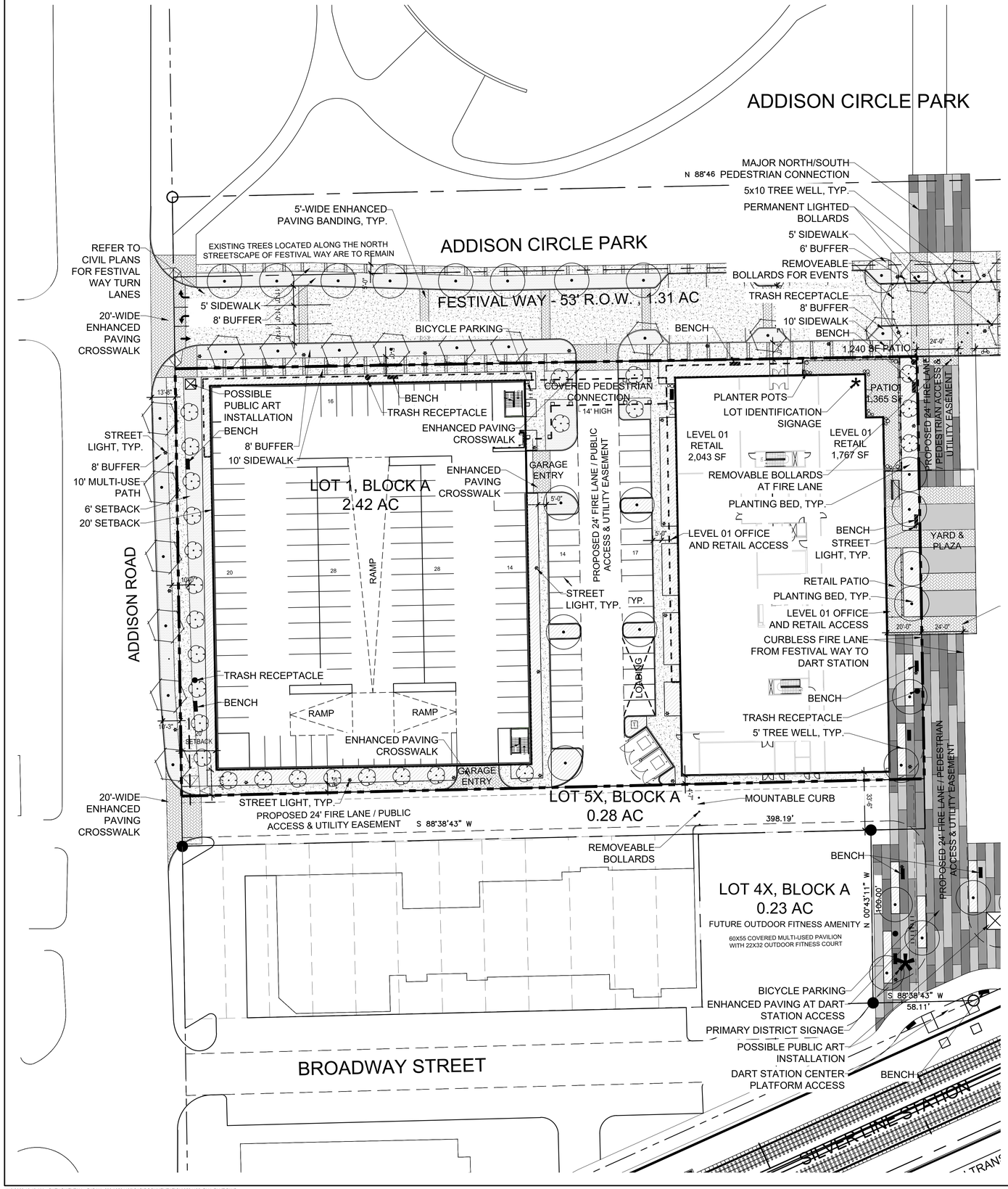
TOWN PROJECT NUMBER: 1872-Z
ADDISON CIRCLE STATION
LOT 1 AND 5X, BLOCK A
2.70 AC - GW FISHER SURVEY, ABSTRACT NO. 482
TOWN OF ADDISON, COUNTY OF DENTON, STATE OF TEXAS

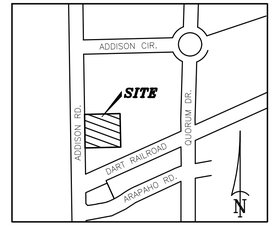
DATE:	ARCH. PROJ. #:	SCALE:
01-11-23	202162	1"=20'-0"

SHEET NO.

A001
SITE PLAN
LOT 1 & 5X, BLOCK A

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VICINITY MAP
NOT TO SCALE

PRELIMINARY PLANT SCHEDULE

SHADE TREE 6-8" CAL. SIZE -		25
ORNAMENTAL/EVERGREEN TREE -		26
TRANSPLANTED TREE -		17
SHRUB/GROUND COVER -		6,489 sf
SOD -		8,475 sf
EXISTING TREES TO REMAIN		

LOT 1 TOTAL LANDSCAPE AREA = 7,800 SF

TEXAS811
CALL BEFORE YOU DIG!
TEXAS ONE-CALL CENTER
IT'S THE LAW!

LandDesign.
5301 ALPHA ROAD, SUITE 24
DALLAS, TX 75240
214.785.6009
WWW.LANDDESIGN.COM

KEY MAP

SEAL

PRELIMINARY
FOR REVIEW PURPOSES ONLY AND SHALL NOT BE USED FOR BIDDING, PERMITTING, OR CONSTRUCTION.

C. Heth Kendrick
Registered Landscape Architect of the State of TEXAS
Registration Number: 2948

PROJECT

ADDISON CIRCLE STATION PHASE I

AMLI RESIDENTIAL

ADDISON, TX

LANDDESIGN PROJ.#
8521186

REVISION / ISSUANCE

NO.	DESCRIPTION	DATE
	TOWN REVISIONS	11.18.2022
	TOWN REVISIONS	12.29.2022
	TOWN REVISIONS	01.13.2023

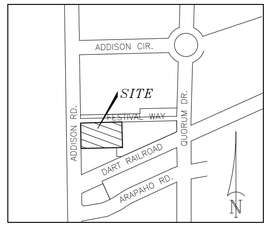
DESIGNED BY: XX
DRAWN BY: XX
CHECKED BY: XX

SCALE
VERT: N/A
HORZ: 1"=30'
0 15' 30' 60'

NORTH

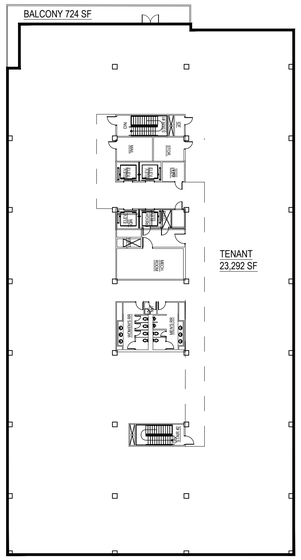
SHEET TITLE
LOT 01 & LOT 5X, BLOCK A LANDSCAPE PLAN

SHEET NUMBER
L6-10

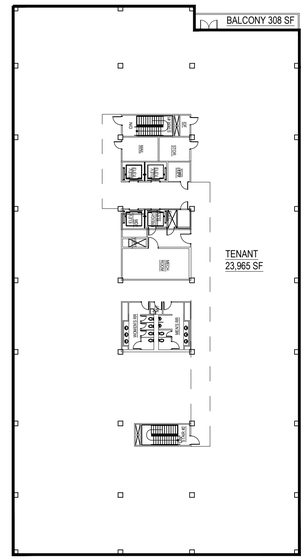


VICINITY MAP
NOT TO SCALE

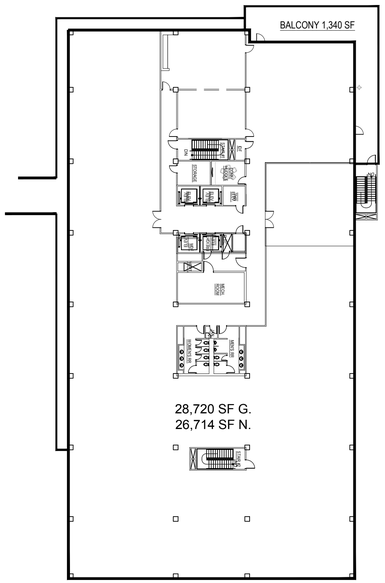
FLOOR LEVELS	GROSS FLOOR AREA	NET FLOOR AREA
1st FLOOR:	27,350 SF	18,400 SF
2nd FLOOR:	28,720 SF	26,714 SF
3rd FLOOR:	27,468 SF	24,562 SF
4th FLOOR:	27,468 SF	24,562 SF
5th FLOOR:	27,468 SF	24,562 SF
6th FLOOR:	27,206 SF	24,310 SF
TOTAL:	165,680 SF	143,110 SF



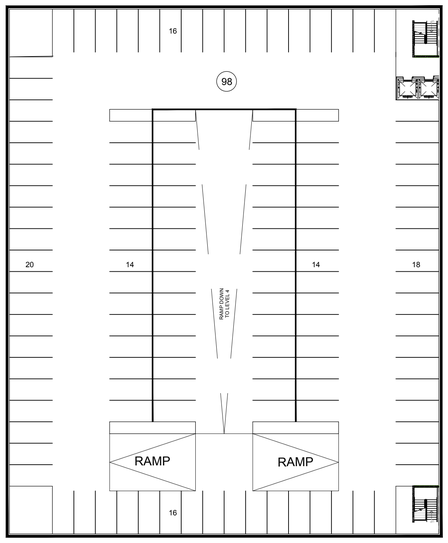
OFFICE - LEVEL 06



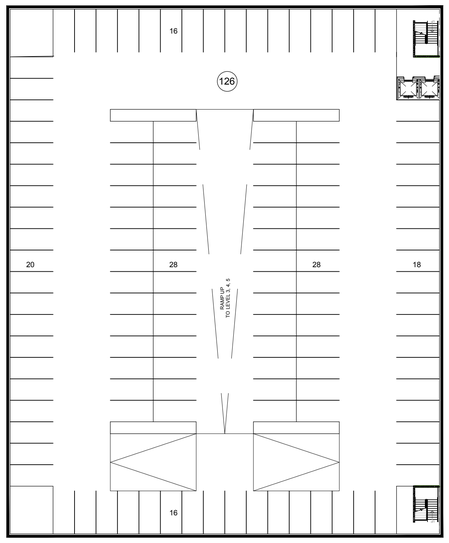
OFFICE - LEVEL 03, 04, 05



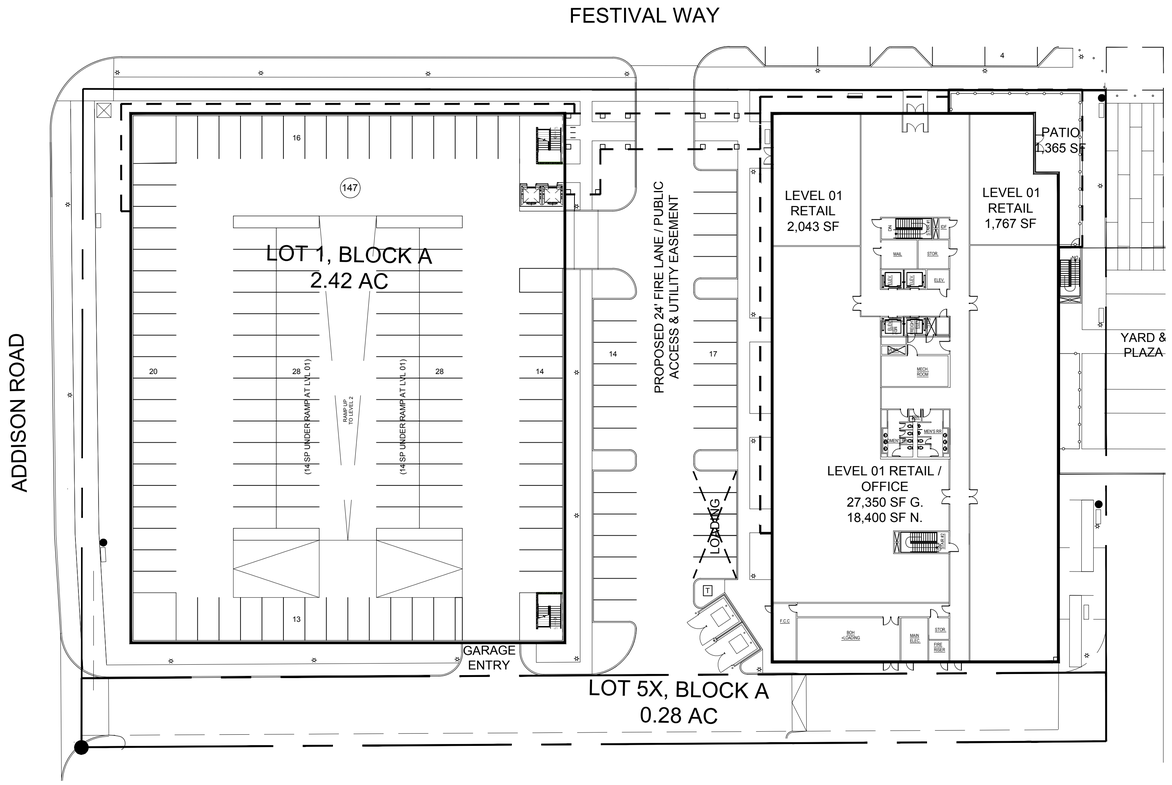
OFFICE - LEVEL 02



GARAGE - LEVEL 05



GARAGE - LEVEL 02, 03, 04



OFFICE / GARAGE - LEVEL 01

ADDISON CIRCLE
STATION
LOT 1 & 5X, BLOCK A

OWNER/APPLICANT:

AMLI RESIDENTIAL
ATT. JOE BRUCE
5057 KELLER SPRINGS RD.
ADDISON, TX 75001
PH 972-265-6792

STREAM REALTY
ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-267-0477

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O'BRIEN

STEFAN HAESSIG
1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com

TOWN PROJECT NUMBER: 1872-Z
ADDISON CIRCLE STATION
LOT 1 AND 5X, BLOCK A
2.70 AC - GW FISHER SURVEY, ABSTRACT NO. 482
TOWN OF ADDISON, COUNTY OF DENTON, STATE OF TEXAS

DATE:	ARCH. PROJ. #:	SCALE:
01-11-23	202162	1"=30'-0"

SHEET NO.

A001
FLOOR PLAN
LOT 1 & 5X, BLOCK A

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MATERIAL PERCENTAGES - OFFICE SOUTH ELEVATION		
	SQ. FT.	PERCENTAGE
BRICK	4,997	48%
GLAZING	5,346	50.5%
METAL	158	1.5%
TOTAL SURFACE AREA	10,501	100%

MATERIAL PERCENTAGES - OFFICE NORTH ELEVATION		
	SQ. FT.	PERCENTAGE
BRICK	3,884	36%
GLAZING	6,051	56%
METAL	814	8%
TOTAL SURFACE AREA	10,749	100%

MATERIAL PERCENTAGES - OFFICE WEST ELEVATION		
	SQ. FT.	PERCENTAGE
BRICK	9,893	49%
GLAZING	9,578	47%
METAL	765	4%
TOTAL SURFACE AREA	21,484	100%

MATERIAL PERCENTAGES - OFFICE EAST ELEVATION		
	SQ. FT.	PERCENTAGE
BRICK	8,673	40%
GLAZING	11,570	54%
METAL	1,273	6%
TOTAL SURFACE AREA	21,517	100%

FACADE PLAN NOTES

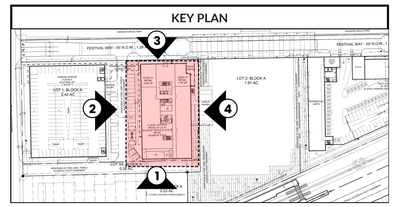
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- ROOF ACCESS SHALL BE PROVIDED INTERNALLY, UNLESS OTHERWISE PERMITTED BY THE CHIEF BUILDING OFFICIAL

OFFICE FACADE KEYNOTES

- 1 BRICK 1
- 2 BRICK 2
- 3 METAL CANOPY
- 4 METAL COPING
- 5 RAILING
- 6 VISION GLASS
- 7 SPANDREL GLASS
- 8 METAL PANEL
- 9 STOREFRONT SYSTEM

GENERAL NOTES

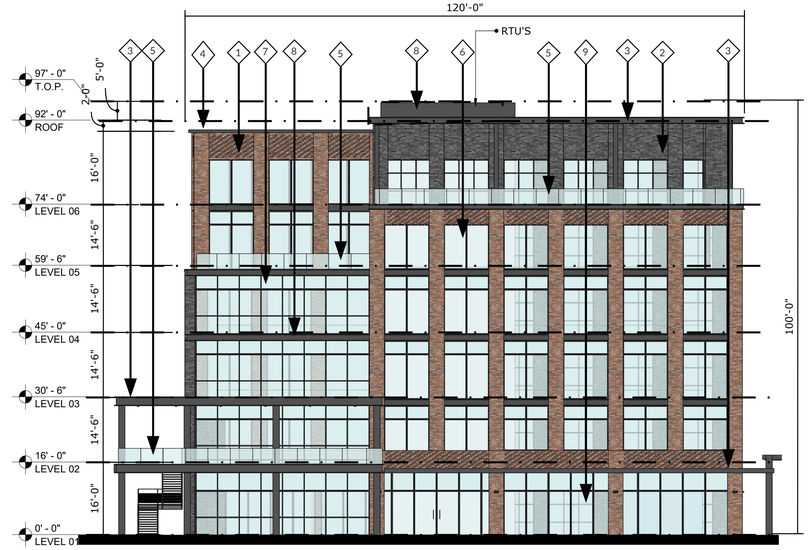
KEY PLAN





4 OFFICE - EAST ELEVATION

SCALE: 1/16" = 1'-0"



3 OFFICE - NORTH ELEVATION

SCALE: 1/16" = 1'-0"



2 OFFICE - WEST ELEVATION

SCALE: 1/16" = 1'-0"



1 OFFICE - SOUTH ELEVATION

SCALE: 1/16" = 1'-0"

PROJECT TITLE:

ADDISON CIRCLE STATION LOT 01 & LOT 5X BLOCK A

ADDISON,
TEXAS

OWNER/APPLICANT:

AMLI RESIDENTIAL

ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
75001
PH 972-265-6792

STREAM REALTY

ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-267-0477

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O'BRIEN

1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com

TOWN PROJECT NUMBER:
1872-Z
ADDISON CIRCLE STATION
LOT 01 & LOT 5X, BLOCK A
2.7 AC-G.W. FISHER SURVEY,
ABSTRACT NO.482
15.64 ACRES
TOWN OF ADDISON, COUNTY
OF DALLAS, STATE OF TEXAS

DATE	ARCH. PROJ. #
01-11-23	202162

SHEET NO.

A003

OFFICE ELEVATIONS

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MATERIAL PERCENTAGES - GARAGE SOUTH ELEVATION		
	SQ. FT.	PERCENTAGE
METAL	666	7%
CONCRETE	266	3%
MASONRY	0	0%
PERF. SCREEN 1	3995	44%
PERF SCREEN 2	4092	46%
TOTAL SURFACE AREA:	9019	100%

MATERIAL PERCENTAGES - GARAGE NORTH ELEVATION		
	SQ. FT.	PERCENTAGE
METAL	184	2%
CONCRETE	79	1%
MASONRY	4229	57%
PERF. SCREEN 1	2988	40%
PERF SCREEN 2	0	0%
TOTAL SURFACE AREA:	7477	100%

MATERIAL PERCENTAGES - GARAGE WEST ELEVATION		
	SQ. FT.	PERCENTAGE
METAL	788	7%
CONCRETE	208	2%
MASONRY	0	0%
PERF. SCREEN 1	3983	35%
PERF SCREEN 2	6395	56%
TOTAL SURFACE AREA:	11374	100%

MATERIAL PERCENTAGES - GARAGE EAST ELEVATION		
	SQ. FT.	PERCENTAGE
METAL	396	4%
CONCRETE	191	2%
MASONRY	4800	53%
PERF. SCREEN 1	3639	40%
PERF SCREEN 2	0	0%
TOTAL SURFACE AREA:	9051	100%

FACADE PLAN NOTES

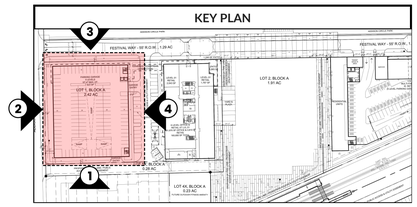
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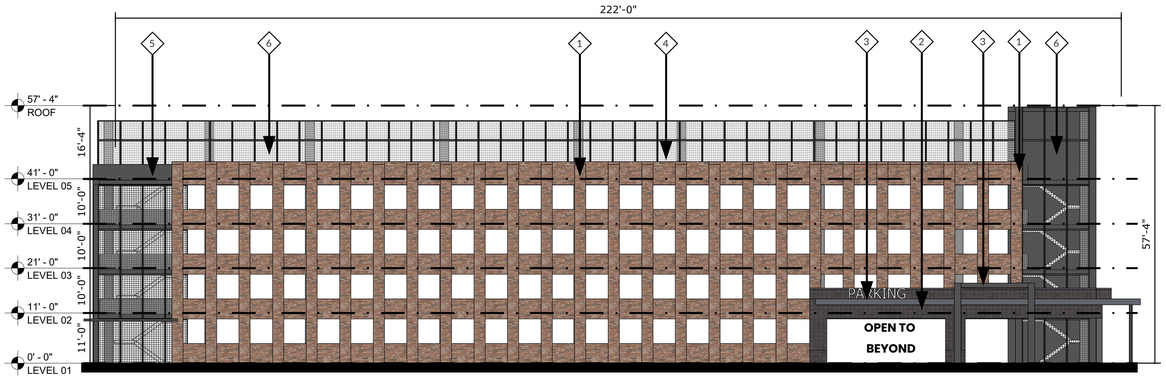
OFFICE GARAGE FACADE KEYNOTES

1. BRICK 1
2. BRICK 2
3. METAL CANOPY
4. METAL COPING
5. METAL PANEL
6. PERF. METAL PANEL
7. MURAL

GENERAL NOTES

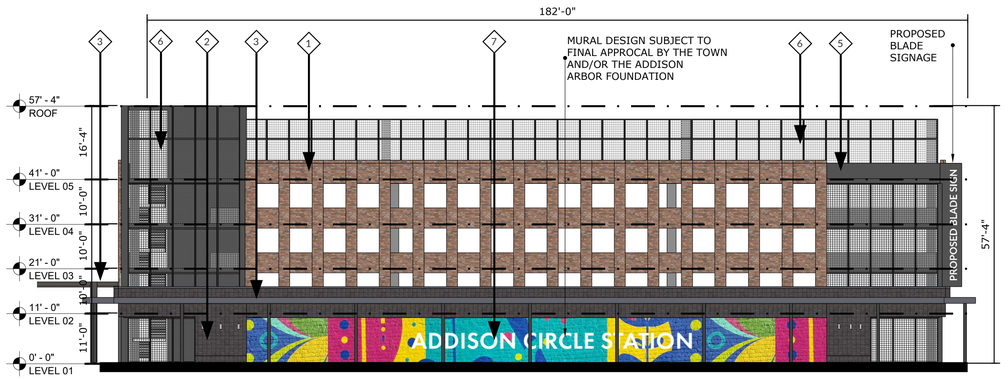
KEY PLAN





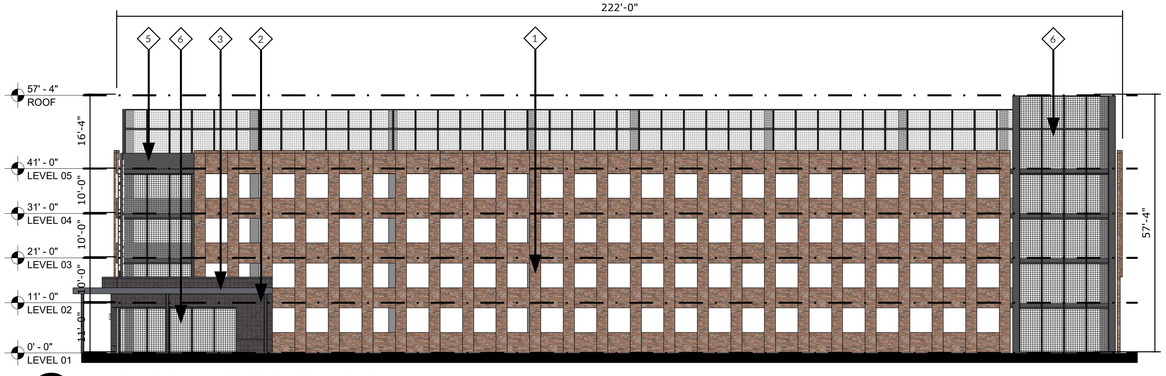
4 GARAGE - EAST ELEVATION

SCALE: 1/16" = 1'-0"



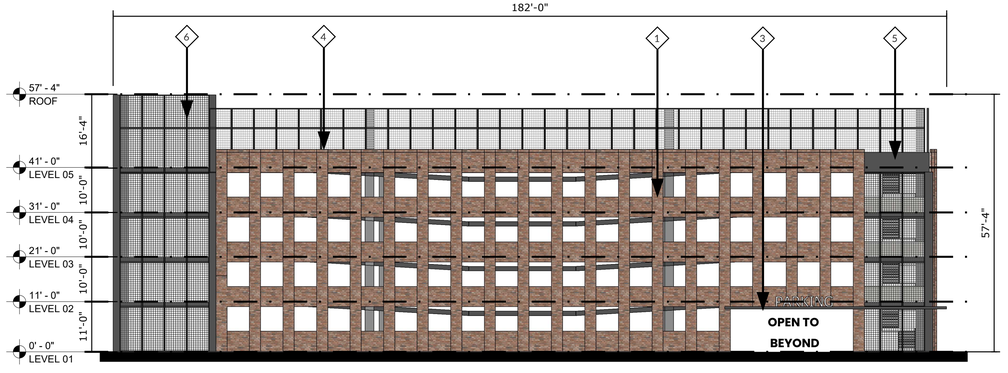
3 GARAGE - NORTH ELEVATION

SCALE: 1/16" = 1'-0"



2 GARAGE - WEST ELEVATION

SCALE: 1/16" = 1'-0"



1 GARAGE - SOUTH ELEVATION

SCALE: 1/16" = 1'-0"

PROJECT TITLE:

ADDISON CIRCLE STATION LOT 01 & LOT 5X BLOCK A

ADDISON,
TEXAS

OWNER/APPLICANT:

AMLI RESIDENTIAL

ATTN: JOE BRUCE
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O'BRIEN

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15.64 ACRES
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DATE	ARCH. PROJ. #
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SHEET NO.

A005

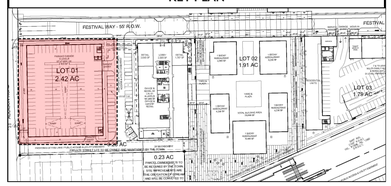
OFFICE GARAGE ELEVATIONS

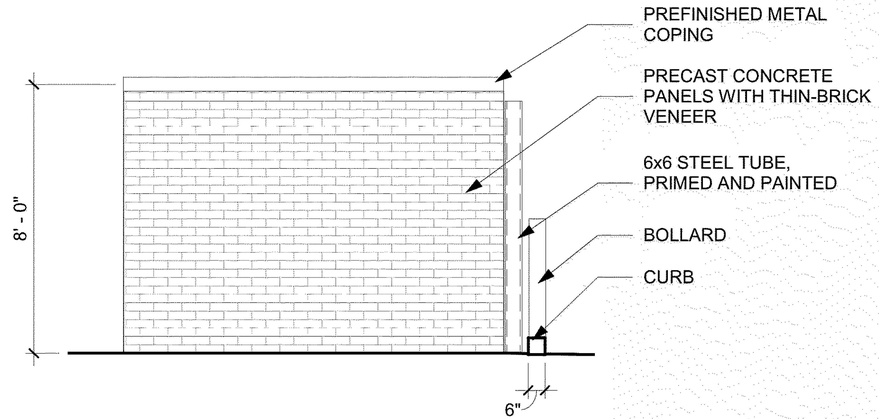
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FACADE PLAN NOTES

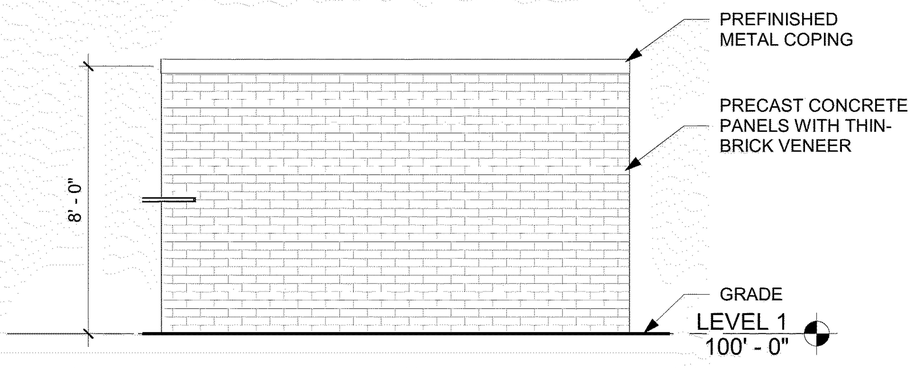
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KEY PLAN





2 DUMPSTER ENCLOSURE - SIDE VIEW



1 DUMPSTER ENCLOSURE - REAR VIEW

PROJECT TITLE:

ADDISON CIRCLE STATION LOT 01 & LOT 5X BLOCK A

ADDISON,
TEXAS

OWNER/APPLICANT:

AMLI RESIDENTIAL

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PH 214-267-0477

ISSUE/REVISION LOG

DATE	DESCRIPTION
08-19-22	CONCEPT SITE PLAN
11-21-22	DEVELOPMENT PLAN
12-29-22	DEVELOPMENT PLAN REV.
01-11-23	DEVELOPMENT PLAN REV.

OBRIEN

1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com

TOWN PROJECT NUMBER:
1872-Z
ADDISON CIRCLE STATION
LOT 01 & LOT 5X, BLOCK A
2.7 AC-G.W. FISHER SURVEY,
ABSTRACT NO.482
15.64 ACRES
TOWN OF ADDISON, COUNTY
OF DALLAS, STATE OF TEXAS

DATE	ARCH. PROJ. #
01-11-23	202162

SHEET NO.

A006

OFFICE GARAGE ELEVATIONS

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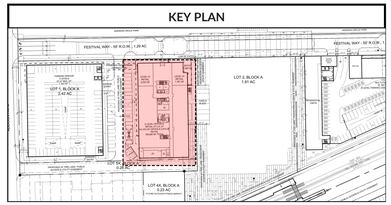


2 OFFICE - PERSPECTIVE



1 OFFICE - PERSPECTIVE

KEY PLAN



PROJECT TITLE:

ADDISON CIRCLE STATION LOT 01 & LOT 5X BLOCK A

ADDISON,
TEXAS

OWNER/APPLICANT:

AMLI RESIDENTIAL

ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
75001
PH 972-265-6792

STREAM REALTY

ATT. RAMSEY MARCH

2001 ROSS AVE, STE 400

DALLAS, TX 75201

PH 214-267-0477

ISSUE/REVISION LOG

DATE	DESCRIPTION
08-19-22	CONCEPT SITE PLAN
11-21-22	DEVELOPMENT PLAN
12-29-22	DEVELOPMENT PLAN REV.
01-11-23	DEVELOPMENT PLAN REV.

OBRIEN

1722 ROUTH STREET
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DALLAS, TEXAS 75201
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TOWN PROJECT NUMBER:
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15.64 ACRES
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OF DALLAS, STATE OF TEXAS

DATE	ARCH. PROJ. #
01-11-23	202162

SHEET NO.

A002

OFFICE PERSPECTIVES

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3 OFFICE GARAGE - PERSPECTIVE

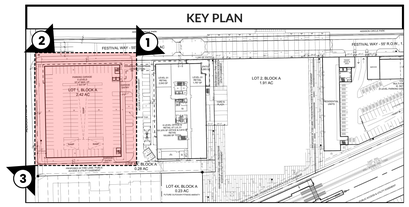


2 OFFICE GARAGE - PERSPECTIVE



1 OFFICE GARAGE - PERSPECTIVE

KEY PLAN



PROJECT TITLE:

ADDISON CIRCLE STATION LOT 01 & LOT 5X BLOCK A

ADDISON,
TEXAS

OWNER/APPLICANT:

AMLI RESIDENTIAL

ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
75001
PH 972-265-6792

STREAM REALTY

ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-267-0477

ISSUE/REVISION LOG

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01-11-23	DEVELOPMENT PLAN REV.

O'BRIEN

1722 ROUTH STREET
SUITE 122
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15.64 ACRES
TOWN OF ADDISON, COUNTY
OF DALLAS, STATE OF TEXAS

DATE	ARCH. PROJ. #
01-11-23	202162

SHEET NO.

A004

OFFICE GARAGE PERSPECTIVES

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Council Meeting 2023 **14.**

Meeting Date: 02/13/2023

Department: Development Services

AGENDA CAPTION:

Hold a Public Hearing, Present, Discuss, and Consider Action on an **Ordinance Adopting a Development Plan for Lot 3, Block A of Addison Circle Station – Phase I, Including a Site Plan, Landscape Plan, Facade and Floor Plans for a Multifamily Residential Building with Ground Floor Retail/Restaurant Uses, and Festival Way and Quorum Drive Streetscape Improvements on and Adjacent to a 1.8 Acre Property at the Southwest Corner of Quorum Drive and Festival Way.** Case 1874-Z/Multifamily Tower, Lot 3, Block A, Addison Circle Station – Phase I.

BACKGROUND:

The Addison Planning and Zoning Commission, meeting in regular session on January 17, 2023, voted to recommend approval of an Ordinance Adopting a Development Plan for Lot 3, Block A of Addison Circle Station – Phase I, including a Site Plan, Landscape Plan, Façade, and Floor Plans for a Multifamily Residential Building with Ground Floor Retail/Restaurant Uses, and Festival Way and Quorum Drive Streetscape Improvements on and adjacent to a 1.8 Acre Property at the Southwest Corner of Quorum Drive and Festival Way, and situated within a proposed Planned Development (PD) District (Case #1860-Z), subject to the following conditions:

- Final public and private landscape and street furnishing design to be completed during civil plan review.
- The final quantity of required retail parking accommodated in the multifamily parking structure is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.
- Building permit approval is subject to compliance with FAA Part 77 review for building height and final confirmation of residential building sites being situated outside of the 65 DNL noise contour.
- Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by the definitive agreements between the Town and Co-Developers.

Voting Aye: Branson, Catalani, Craig, Faircloth, Fansler, Souers, DeFrancisco
Voting Nay: none
Absent: none

SPEAKERS AT THE PUBLIC HEARING:

For: none
On: none
Against: none

Please refer to the staff report for additional details.

RECOMMENDATION:

Administration recommends approval.

Attachments

1874-Z Presentation
1874-Z Ordinance
1874-Z Staff Report
1874-Z Plans
1874-Z Rendering

Multifamily Tower Development Plan Addison Circle Station – Phase I (1874-Z)

Case 1874-Z Multifamily Tower

LOCATION:

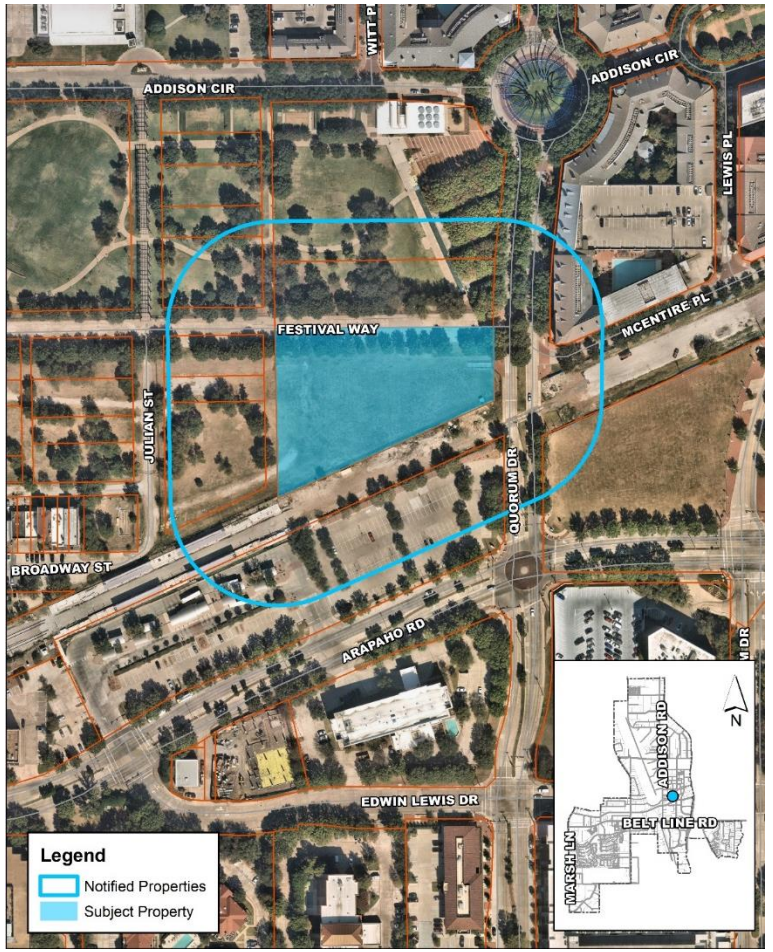
1.8 acres generally located at the southwest corner of Quorum Drive and Festival Way.

REQUEST:

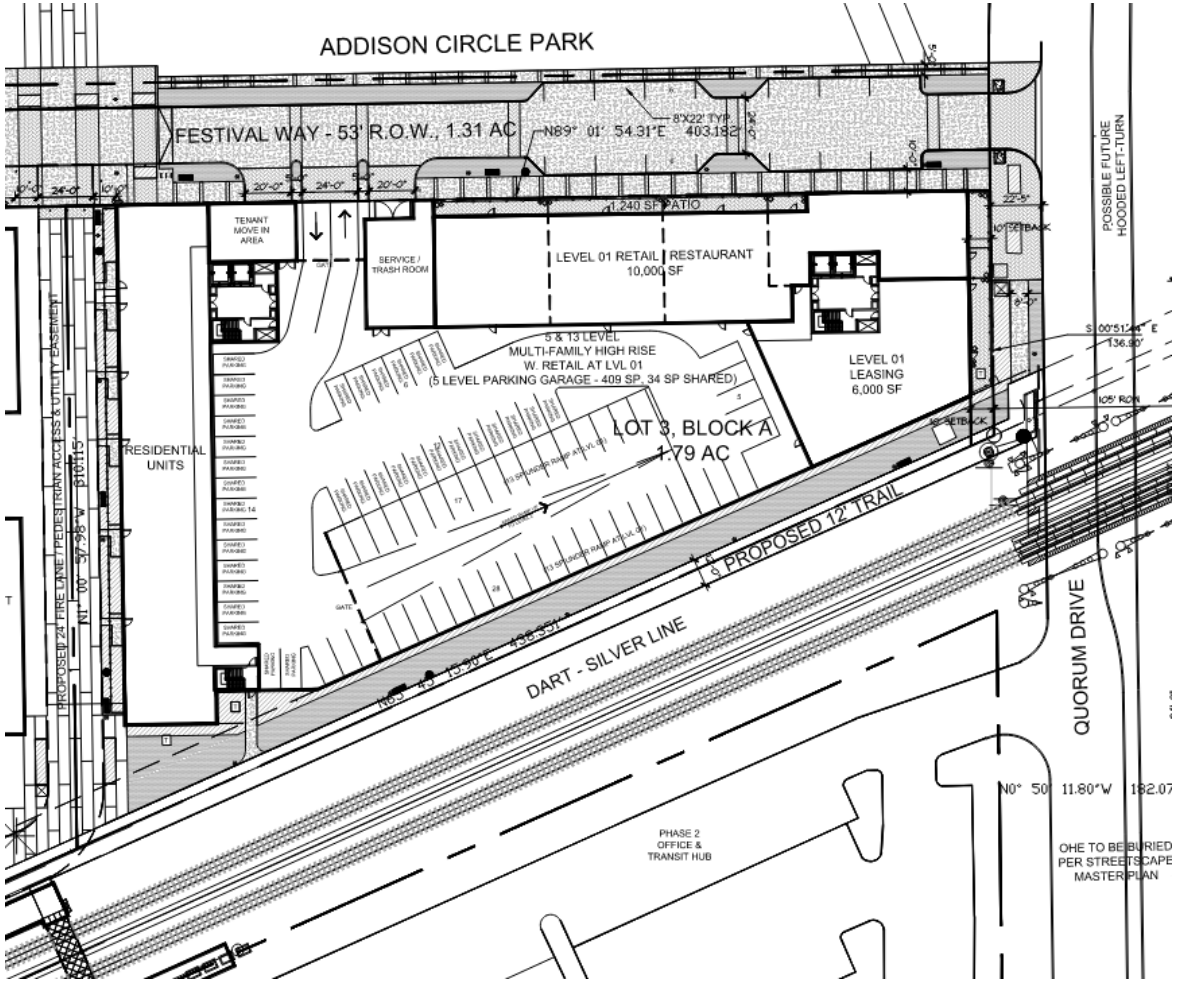
To approve a site plan, landscape plan, facade and floor plans for the construction of a multifamily residential building with ground floor retail/restaurant uses, and Festival Way and Quorum Drive streetscape improvements on and adjacent to Lot 3, Block A of Addison Circle Station – Phase I.

ACTION REQUIRED:

Discuss, consider, and take action on the appropriateness of the proposed development plan approval request.



Case 1874-Z Multifamily Tower



SITE PLAN:

Multifamily Tower – Lot 3, Block A, 1.8 ac.

- 13 story tower with stepdown to 5 stories at western façade

- 270 dwelling units and 10K SF of retail space and 6K SF of leasing space

- Amenity deck and green roof on 6th floor

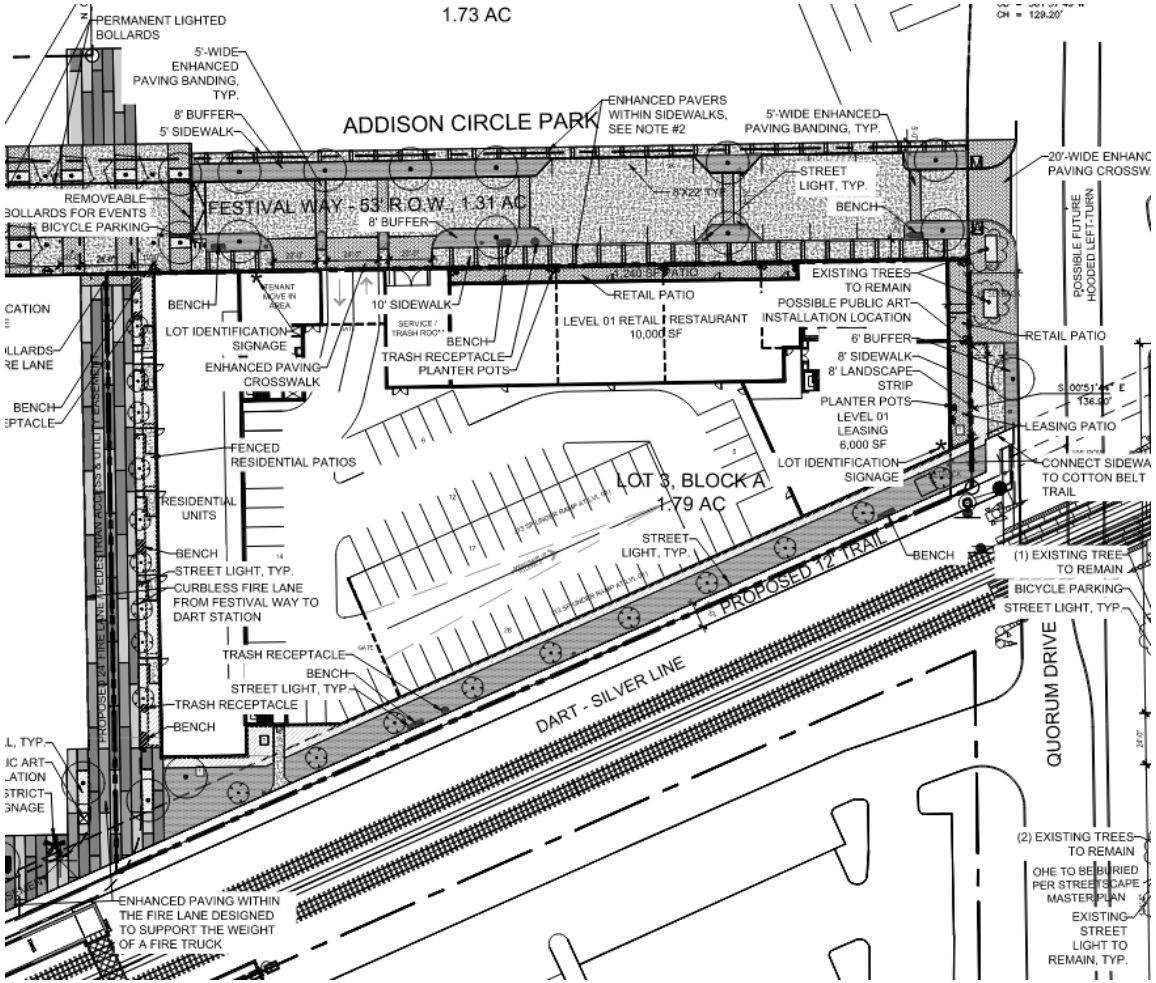
- 409 space podium parking structure with 12 on-street parking spaces

Festival Way/Quorum Drive Streetscape Improvements

- Reconfiguration of on-street parking on Festival Way and new streetscape

- Extension of existing Quorum Drive streetscape to northern limit of DART right-of-way

Case 1874-Z Multifamily Tower



LANDSCAPE PLAN:

Street Trees

- New street trees at Festival Way and Quorum Drive frontages comprising mix of new tree plantings and preserved trees

Base Landscape

- New planting areas within the street tree planting zone, at the base of the building, and adjacent to the Cottonbelt Trail

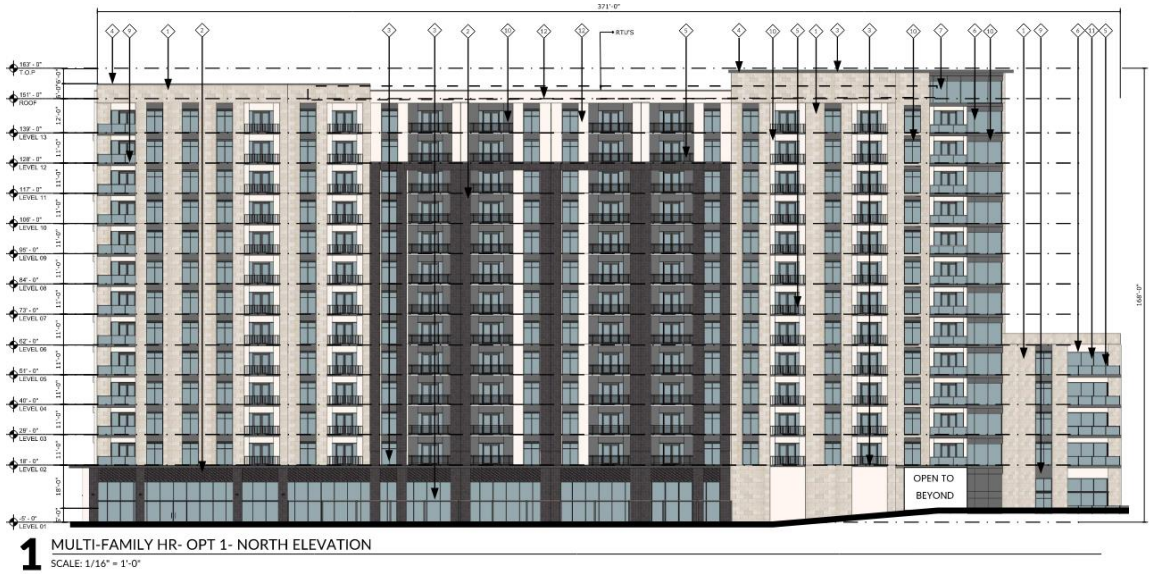
Special Paving Treatments

- Special paving employed at cross walks and other pedestrian zones, and at areas of visual interest within the sidewalk and in the street

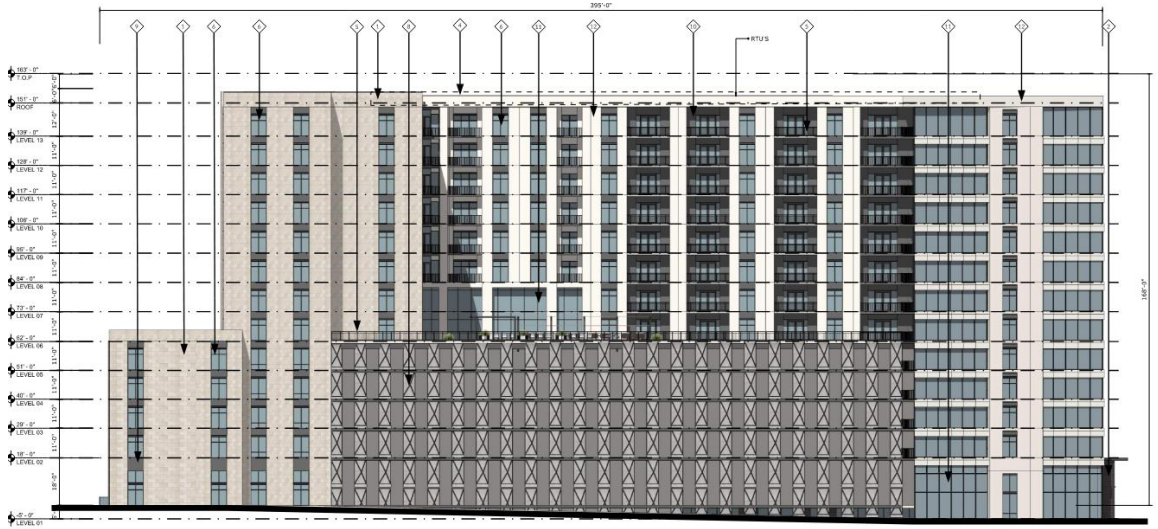
Street Furnishings

- Final design to be completed with civil plan review

Case 1874-Z Multifamily Tower



1 MULTI-FAMILY HR- OPT 1- NORTH ELEVATION
SCALE: 1/16" = 1'-0"



FAÇADE PLAN:

Building Materials

- ~ 97 percent masonry, stucco, and glazing (84 percent for south façade due to parking structure screen)

Scale

- 13 stories (~ 168 feet in height), maximizing building height while maintaining compatibility with the Addison Airport

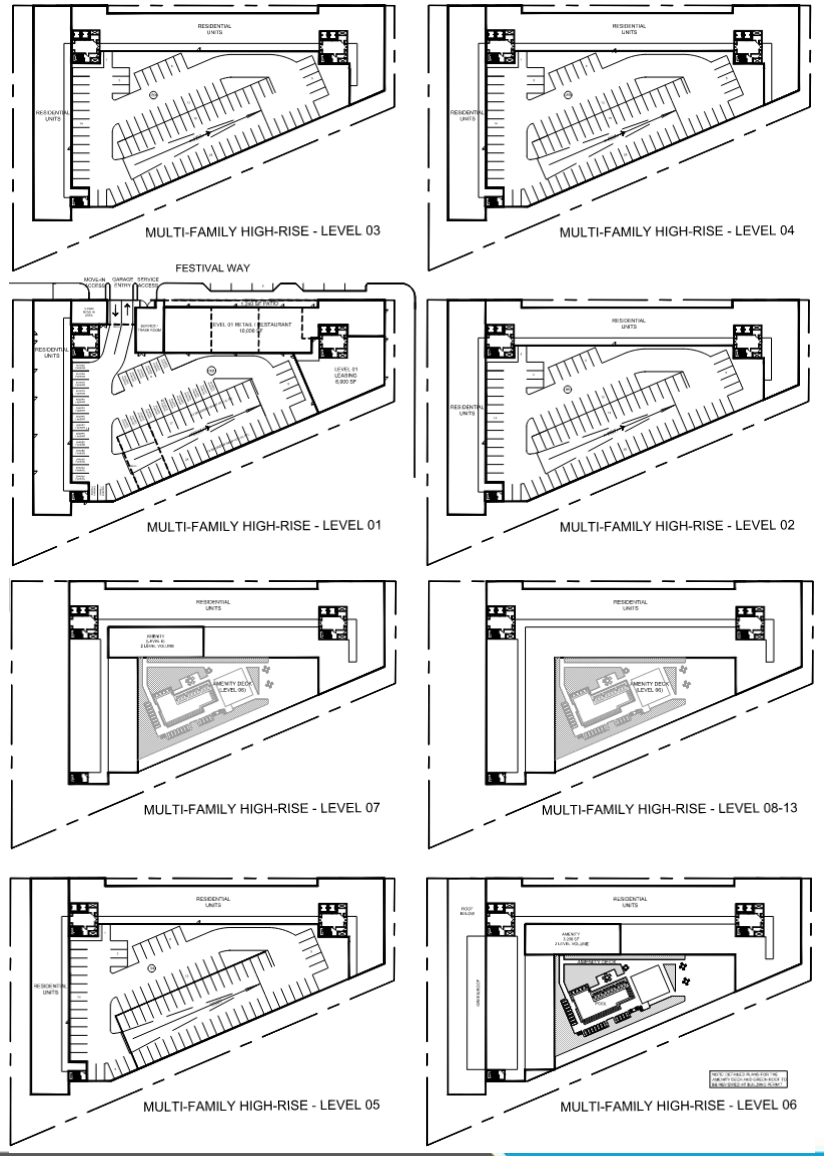
Architectural Treatment

- Strongly defined retail spaces at the ground floor – tall ceilings, transparent storefronts

- Architectural relief through building stepbacks and recessed balconies; Activated pedestrian way with west façade units

- Enhanced screening for parking structure, solid waste

Case 1874-Z Multifamily Tower



FLOOR PLAN:

Building Floor Area

- 270 dwelling units and 10K SF provided; MOU requires a minimum of 240 dwelling units

Parking Supply

- Parking supplied exceeds required parking by 1 space; Bike parking to be met as well

- Final quantity of retail parking subject to a parking study and negotiation of definitive agreements

Case 1874-Z Multifamily Tower



Multifamily Tower

Case 1874-Z Multifamily Tower

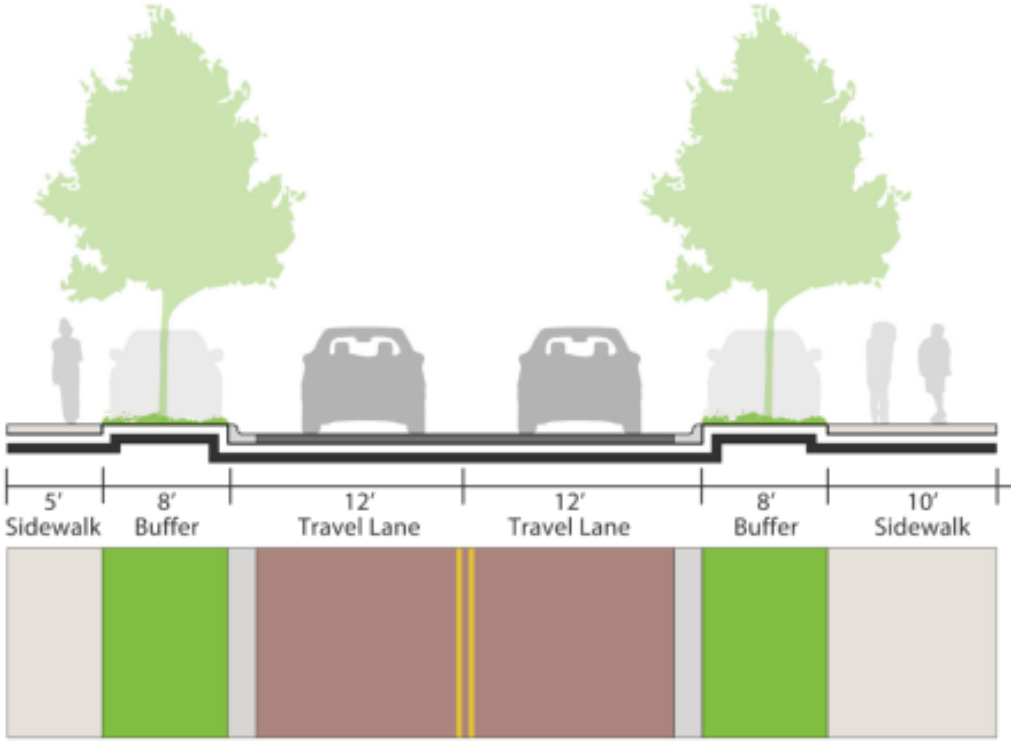


Multifamily Tower

Case 1874-Z Multifamily Tower



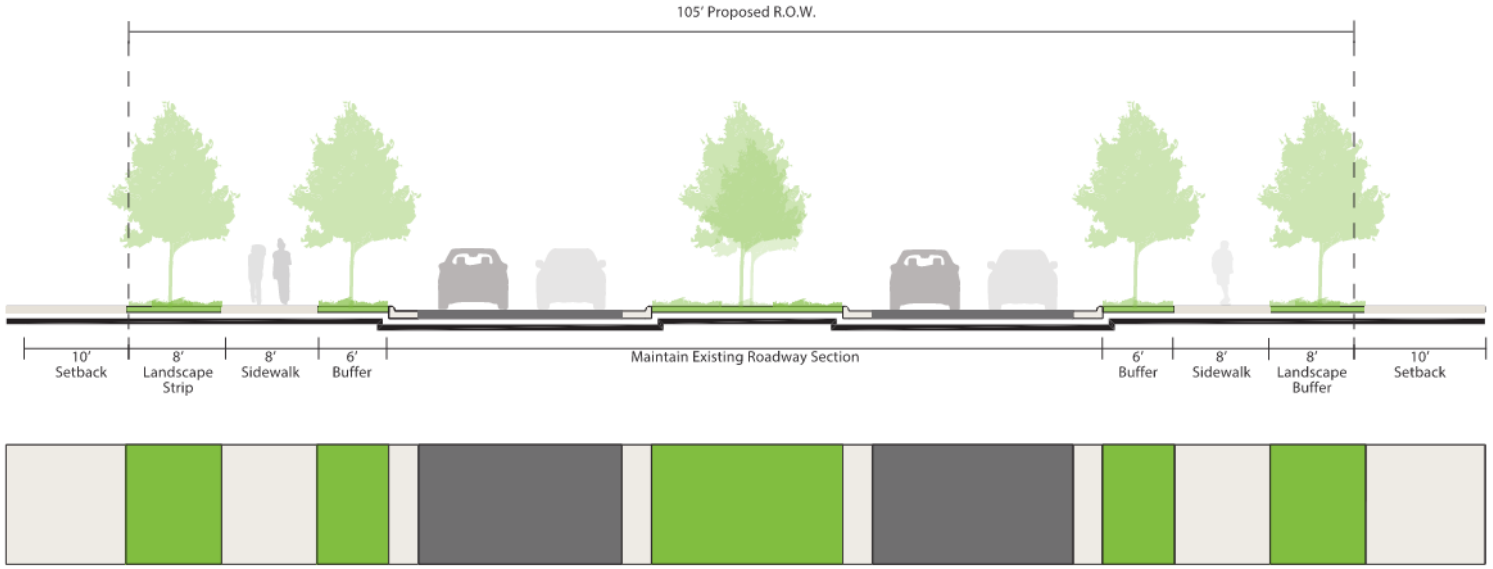
Case 1874-Z Multifamily Tower





Master Streetscape Plan – Festival Way

Case 1874-Z Multifamily Tower





Master Streetscape Plan – Quorum Drive

Case 1874-Z Multifamily Tower



OTHER ZONING COMPLIANCE CONSIDERATIONS:

Sustainability

- To be negotiated and included in the definitive agreements with the Co-Developers:
  - LEED certification
  - Electric vehicle charging stations

Public Art

- Defined contribution to be negotiated and included in the definitive agreements with the Co-Developers

Case 1874-Z Multifamily Tower

PUBLIC NOTICE:

Notice of public hearing was provided to property owners within 200 feet of the subject property and DISD in accordance with Town and State law.

NOTICE RECIPIENTS: 4.

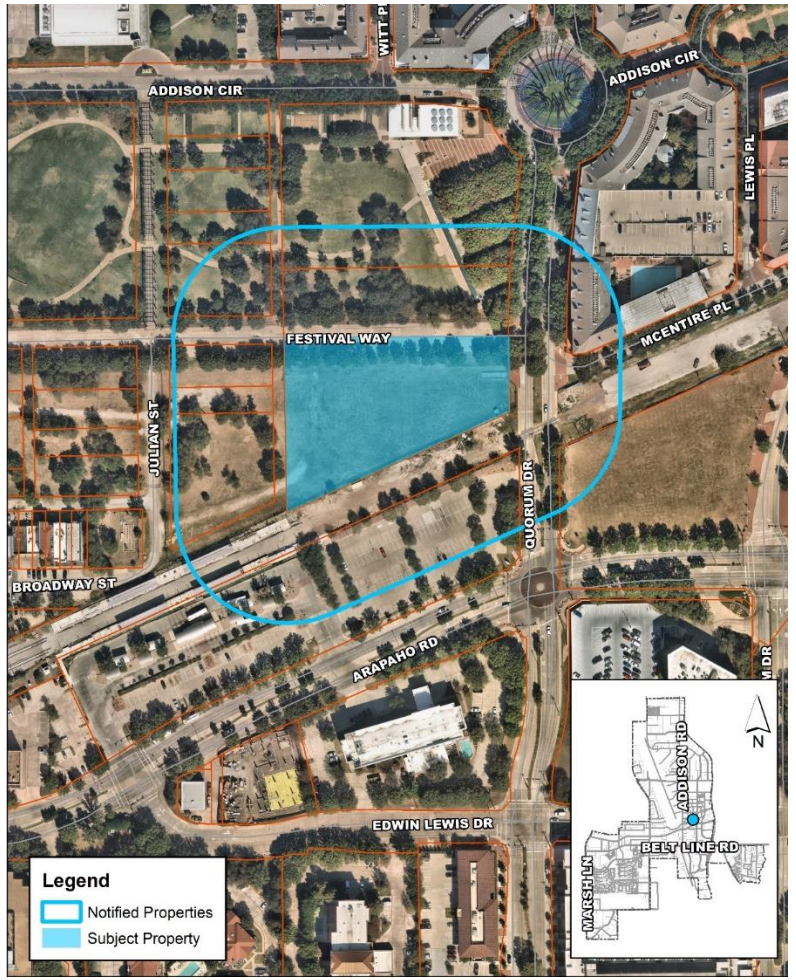
FOR: 0.
AGAINST: 0.
NEUTRAL: 0.

ADDITIONAL FEEDBACK RECEIVED:

N/A.

PLANNING & ZONING COMMISSION ACTION:

Approval: 7-0



Case 1874-Z Multifamily Tower

RECOMMENDATION:

Staff recommends **approval with conditions:**

- Final public and private landscape and street furnishing design to be completed during civil plan review.
- The final quantity of parking spaces and retail parking accommodations is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.
- Building permit approval is subject to compliance with FAA Part 77 review for building height and final confirmation of residential building site being situated outside of the 65 DNL noise contour.
- Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by the definitive agreements between the Town and Co-Developers.

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS, PROVIDING FOR APPROVAL OF A DEVELOPMENT PLAN ON LOT 3, BLOCK A, ADDISON CIRCLE STATION – PHASE I, PART OF A PLANNED DEVELOPMENT (PD) ZONING DISTRICT (O23-_____), AND SITUATED ON 1.8± ACRES GENERALLY LOCATED AT THE SOUTHWEST CORNER OF QUORUM DRIVE AND FESTIVAL WAY, TO ALLOW FOR THE DEVELOPMENT OF A MULTIFAMILY RESIDENTIAL BUILDING WITH GROUND FLOOR RETAIL/RESTUARANT USES, AND FESTIVAL WAY AND QUORUM DRIVE STREETSCAPE IMPROVEMENTS ON AND ADJACENT TO LOT 3, BLOCK A; PROVIDING A PENALTY NOT TO EXCEED TWO THOUSAND AND NO/100 DOLLARS ($2,000.00); PROVIDING FOR SAVINGS, NO SEVERABILITY, AND AN EFFECTIVE DATE.

WHEREAS, at its regular meeting held on January 17, 2023 the Planning & Zoning Commission considered and made recommendations on Case No. 1874-Z, being a request to approve a Development Plan (defined herein below) for Lot 3, Block A, Addison Circle Station – Phase I, comprising 1.8± acres generally located at the southwest corner of Quorum Drive and Festival Way (the "Subject Property"), to allow for the development of a multifamily residential building with ground floor retail/restaurant uses, and Addison Road and Festival Way streetscape improvements on and adjacent to Lot 3, Block A; and

WHEREAS, Planned Development (PD) District O23-_____ (the "PD Ordinance"), requires approval of the Development Plan (defined herein) prior to the issuance of a building permit for the Subject Property; 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 approval of this Development Plan 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. The Subject Property shall be improved in accordance with the Development Plan, which is comprised of a site plan, landscape plan, façade and floor plans (the "Development Plan"), which is attached hereto as **Exhibit A** and made a part hereof for all purposes, subject to the following conditions:

A. Final public and private landscape and streetscape design shall be completed prior to the issuance of a permit for the construction of site infrastructure.

B. The final quantity of required retail parking accommodated in the multifamily parking structure will be determined subject to and following completion of a parking study and as provided in the Definitive Agreements.

C. Developer shall provide the Town evidence of compliance with FAA Part 77 building height review and final confirmation of residential building sites being situated outside of the 65 DNL noise contour prior to issuance of a building permit for the Subject Property.

D. Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be required components of the Project, which will be further defined in the Definitive Agreements (as defined in the PD Ordinance).

SECTION 3. 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, Section 1-7 of the Code of Ordinances for the Town of Addison.

SECTION 4. The provisions of this Ordinance are severable, and should any section, subsection, paragraph, sentence, phrase or word of this Ordinance, or application thereof to any person, firm, corporation or other business entity or any circumstance, be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of the remaining or other parts or portions of this Ordinance, and the City Council hereby declares that it would have passed such remaining parts or portions of this Ordinance despite such unconstitutionality, illegality, or invalidity, which remaining portions shall remain in full force and effect.

SECTION 5. 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. 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.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas, on this the ***13TH*** day of **FEBRUARY** ***2023*****.**

TOWN OF ADDISON, TEXAS

_____

Joe Chow, Mayor

ATTEST:

Irma Parker, City Secretary

APPROVED AS TO FORM:

Whitt Wyatt, City Attorney

Exhibit A

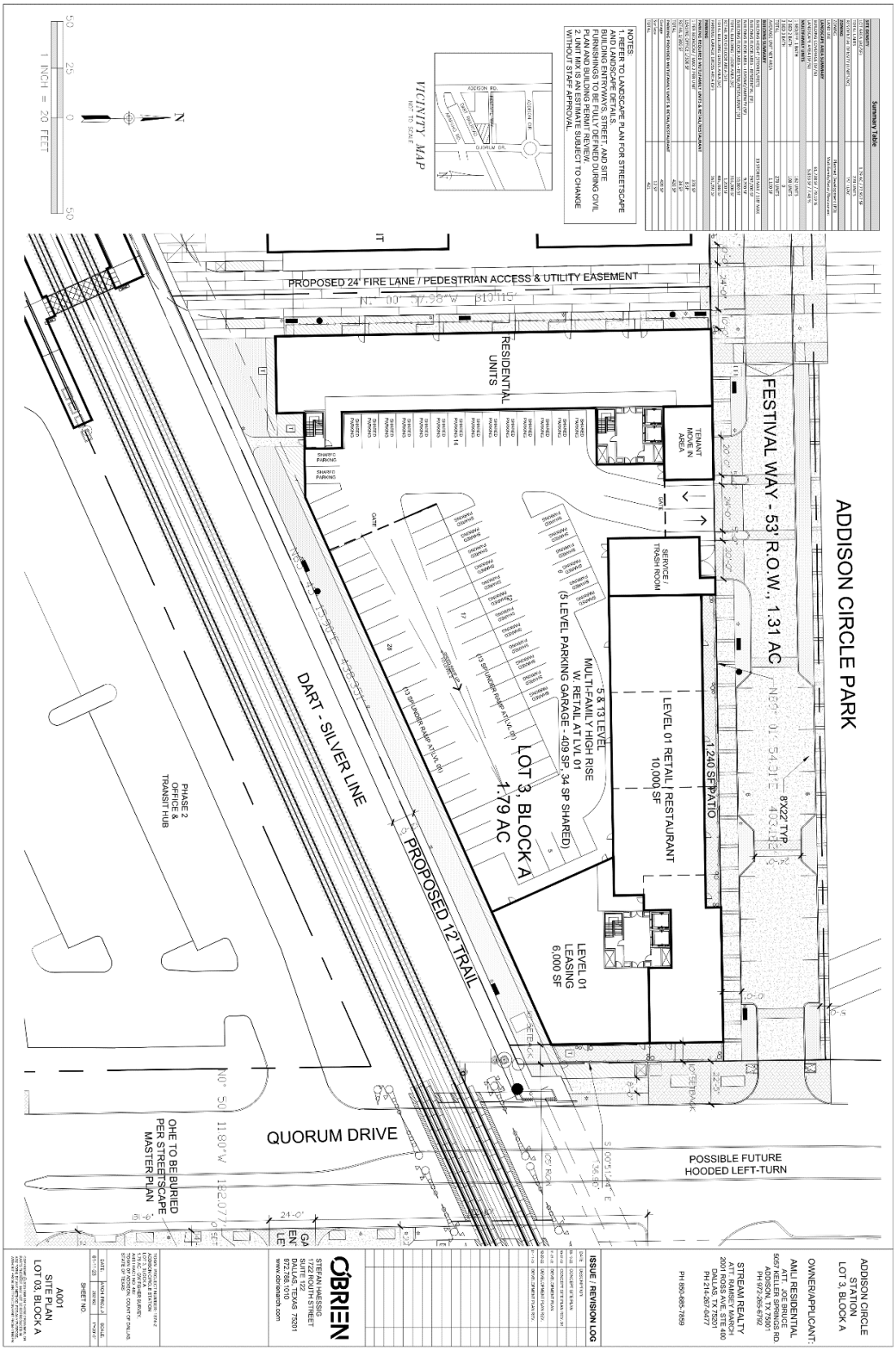

ADDISON CIRCLE PARK
FESTIVAL WAY - 53' R.O.W., 1.31 AC
PROPOSED 24' FIRE LANE / PEDESTRIAN ACCESS & UTILITY EASEMENT
RESIDENTIAL UNITS
TENANT MOVE IN AREA
SERVICE / TRASH ROOM
5 & 13 LEVEL MULTI-FAMILY HIGH RISE W. RETAIL AT LVL 01 (5 LEVEL PARKING GARAGE - 409 SP., 34 SP SHARED)
LOT 3, BLOCK A 1.79 AC
LEVEL 01 RETAIL / RESTAURANT 10,000 SF
1,240 SF PATIO
8'X22' TYP.
LEVEL 01 LEASING 6,000 SF
DART - SILVER LINE
PROPOSED 12' TRAIL
PHASE 2 OFFICE & TRANSIT HUB
QUORUM DRIVE
POSSIBLE FUTURE HOODED LEFT-TURN
OHE TO BE BURIED PER STREETSCAPE MASTER PLAN
VICINITY MAP
NOTES:
1. REFER TO LANDSCAPE PLAN FOR STREETSCAPE AND LANDSCAPE DETAILS.
2. UNIT MIX IS AN ESTIMATE SUBJECT TO CHANGE WITHOUT STAFF APPROVAL.
1 INCH = 20 FEET
ADDISON CIRCLE STATION
LOT 3, BLOCK A
OWNER/APPLICANT:
AMLI RESIDENTIAL
PAUL BRUCE
ADDISON, TX 75001
PH 972-265-8792
STREAM REALTY
ATT: RAMSEY MARCH
2001 ROSS AVE STE 400
DALLAS, TX 75201
PH 214-267-7477
PH 850-865-7859
ISSUE / REVISION LOG
O'BRIEN
STEFAN HAESSIG
1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.934.7010
www.obrienatch.com
A001
SITE PLAN
LOT 03, BLOCK A
SHEET NO.

Exhibit A

ADDISON CIRCLE PARK
FESTIVAL WAY - 53' R.O.W. - 1.31 AC
TRACT 5
1.73 AC
LOT 3, BLOCK A
1.79 AC
PROPOSED TX TRAIL
DART - SILVER LINE
QUOROM DRIVE
PROPOSED 24' FIRE LANE / PEDESTRIAN ACCESS & UTILITY EASEMENT
RETAIL PATIO
LEVEL 01 RETAIL/ RESTAURANT 10,000 SF
LEVEL 01 LEASING 6,000 SF
LEASING PATIO
RESIDENTIAL UNITS
FENCED RESIDENTIAL PATIOS
POSSIBLE FUTURE HOODED LEFT-TURN
20'-WIDE ENHANCED PAVING CROSSWALK
ENHANCED PAVERS WITHIN SIDEWALKS. SEE NOTE #2
5'-WIDE ENHANCED PAVING BANDING, TYP.
EXISTING TREES TO REMAIN
POSSIBLE PUBLIC ART INSTALLATION LOCATION
6' BUFFER
6' LANDSCAPE STRIP
10' SIDEWALK
5' SIDEWALK
8' BUFFER
STREET LIGHT, TYP.
BENCH
PLANTER POTS
LOT IDENTIFICATION SIGNAGE
TRASH RECEPTACLE
REMOVABLE BOLLARDS AT FIRE LANE
BOLLARDS FOR EVENTS OR BICYCLE PARKING
REMOVEABLE BOLLARD AREA
ENHANCED PAVING CROSSWALK
CURBLESS FIRE LANE FROM FESTIVAL WAY TO DART STATION
STREET LIGHT, TYP.
ENHANCED PAVING WITHIN THE FIRE LANE TO SUPPORT THE WEIGHT OF A FIRE TRUCK
5w TREE WELL, TYP.
POSSIBLE PUBLIC ART INSTALLATION
PRIMARY DISTRICT SIGNAGE
PERMANENT LIGHTED BOLLARDS
5'-WIDE ENHANCED PAVING BANDING, TYP.
5'-WIDE ENHANCED PAVING BANDING, TYP.
5'x5' TREE WELL, TYP.
PERMANENT LIGHTED BOLLARDS
ENHANCED PAVING AT INTERSECTION
20'-WIDE ENHANCED CROSSWALK
STREET LIGHT, TYP.
BICYCLE PARKING
(1) EXISTING TREE TO REMAIN
(2) EXISTING TREES TO REMAIN
CONNECT SIDEWALK TO COTTON BELT TRAIL
ENTRY AT LEVEL 02
ONE TO BE BURIED PER STREETSCAPE MASTER PLAN
N 89°01'55" E 413.60'
N 00°48'56" W
D = 0°58'05"
R = 1,500.00'
L = 129.24'
CB = S81°27'49"W
CH = 129.06'
VICINITY MAP
NOT TO SCALE
SITE
ADDISON RD.
QUORUM DR.
PROJECT DIRECTORY
OWNER
ARE RESIDENTIAL
ADDISON, TX
ARCHITECT
LandDesign.
500 ALPHA ROAD, SUITE 34
ADDISON, TEXAS 75001
www.LANDDESIGN.COM
PRELIMINARY
NOT FOR CONSTRUCTION OR PERMITTING PURPOSES
FOR REVIEW PURPOSES ONLY
UNDER THE AUTHORITY OF
C. Heath Kendrick
Registered Landscape Architect of the State of TEXAS
Registration Number: 2340
DATE
PROJECT
ADDISON CIRCLE STATION PHASE I
ADDISON, TEXAS
CONSULTANT PROJECT #: 6521195
REVISION / ISSUANCE
NO. DESCRIPTION DATE
1 TOWN REVISIONS 11-16-2022
2 TOWN REVISIONS 12-28-2022
3 TOWN REVISIONS 01-13-2023
DESIGNED BY: XX
DRAWN BY: XX
CHECKED BY: XX
SCALE
1" = 30'
SHEET NO.
L6-30
SHEET TITLE
LOT 03, BLOCK A
LANDSCAPE PLAN
NOTES:
PRELIMINARY PLANT SCHEDULE SCHEDULE
TEXAS811.1 (800) DIG-TESS
TEXAS ONE-CALL CENTER
IT'S THE LAW!!
LOT 3 TOTAL LANDSCAPE AREA = 1,539 SF

Exhibit A

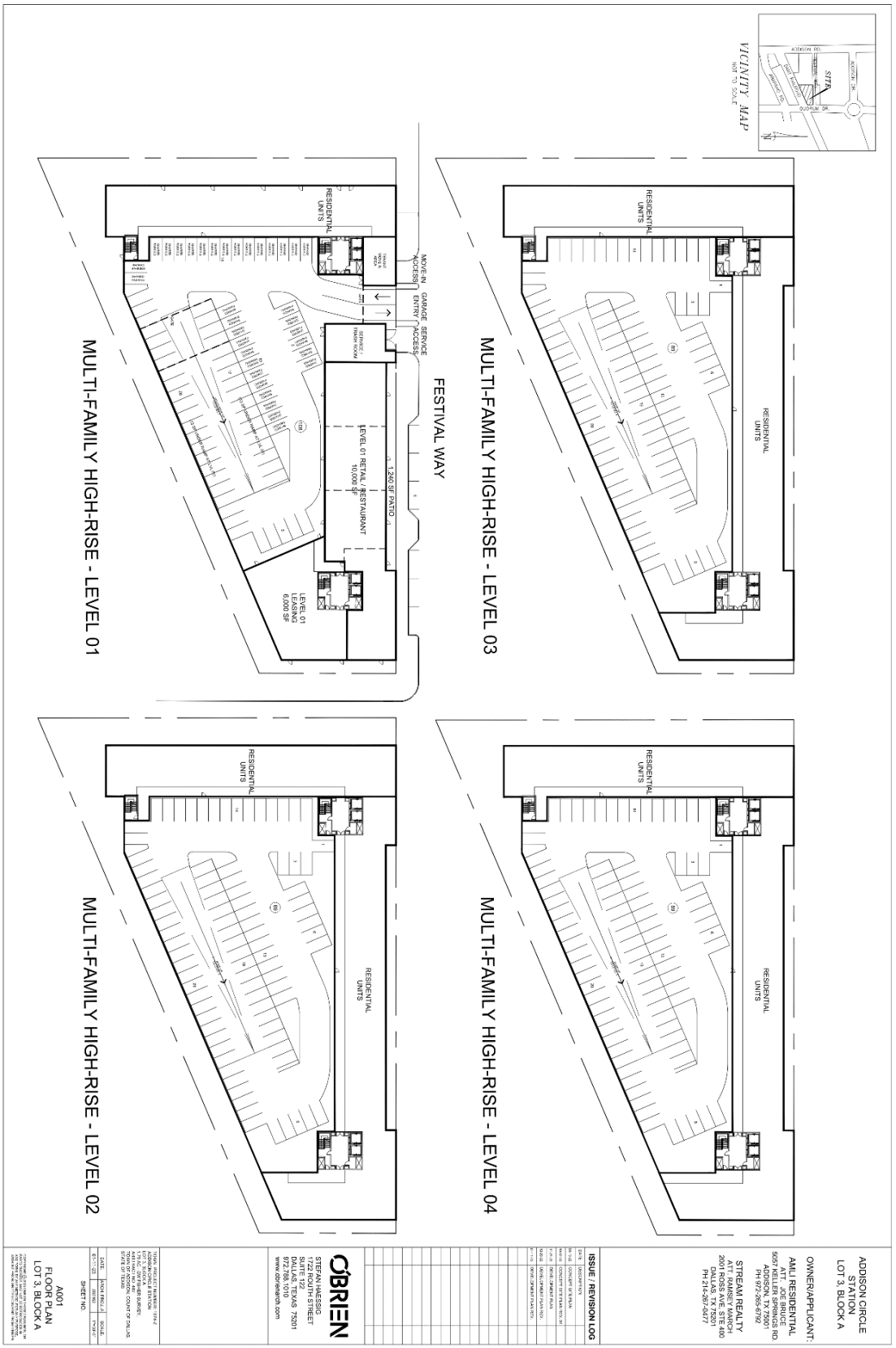

ADDISON CIRCLE STATION
LOT 3, BLOCK A
OWNER/APPLICANT:
AMLI RESIDENTIAL
ATT: ROB BRUCE
8951 KEYSTONE CROSSING, STE 400
ADDISON, TX 75001
PH 972-265-6792
STREAM REALTY
ATT: RAMSEY MARCH
2001 ROSS AVE STE 400
DALLAS, TX 75201
PH 214-267-5477
ISSUE / REVISION LOG
O'BRIEN
STEFAN WIESSO
1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.503.0700
www.obrienatx.com
VICINITY MAP
NOT TO SCALE
ADDISON RD.
SITE
ADDISON DR.
PRESTON RD.
QUORUM DR.
N
MULTI-FAMILY HIGH-RISE - LEVEL 01
MULTI-FAMILY HIGH-RISE - LEVEL 02
MULTI-FAMILY HIGH-RISE - LEVEL 03
MULTI-FAMILY HIGH-RISE - LEVEL 04
FESTIVAL WAY
RESIDENTIAL UNITS
MOVE-IN ACCESS
GARAGE ENTRY
SERVICE ACCESS
LEVEL 01 RETAIL / RESTAURANT 10,000 SF
1,240 SF PATIO
LEVEL 01 LEASING 6,000 SF
A001
FLOOR PLAN
LOT 3, BLOCK A

Exhibit A

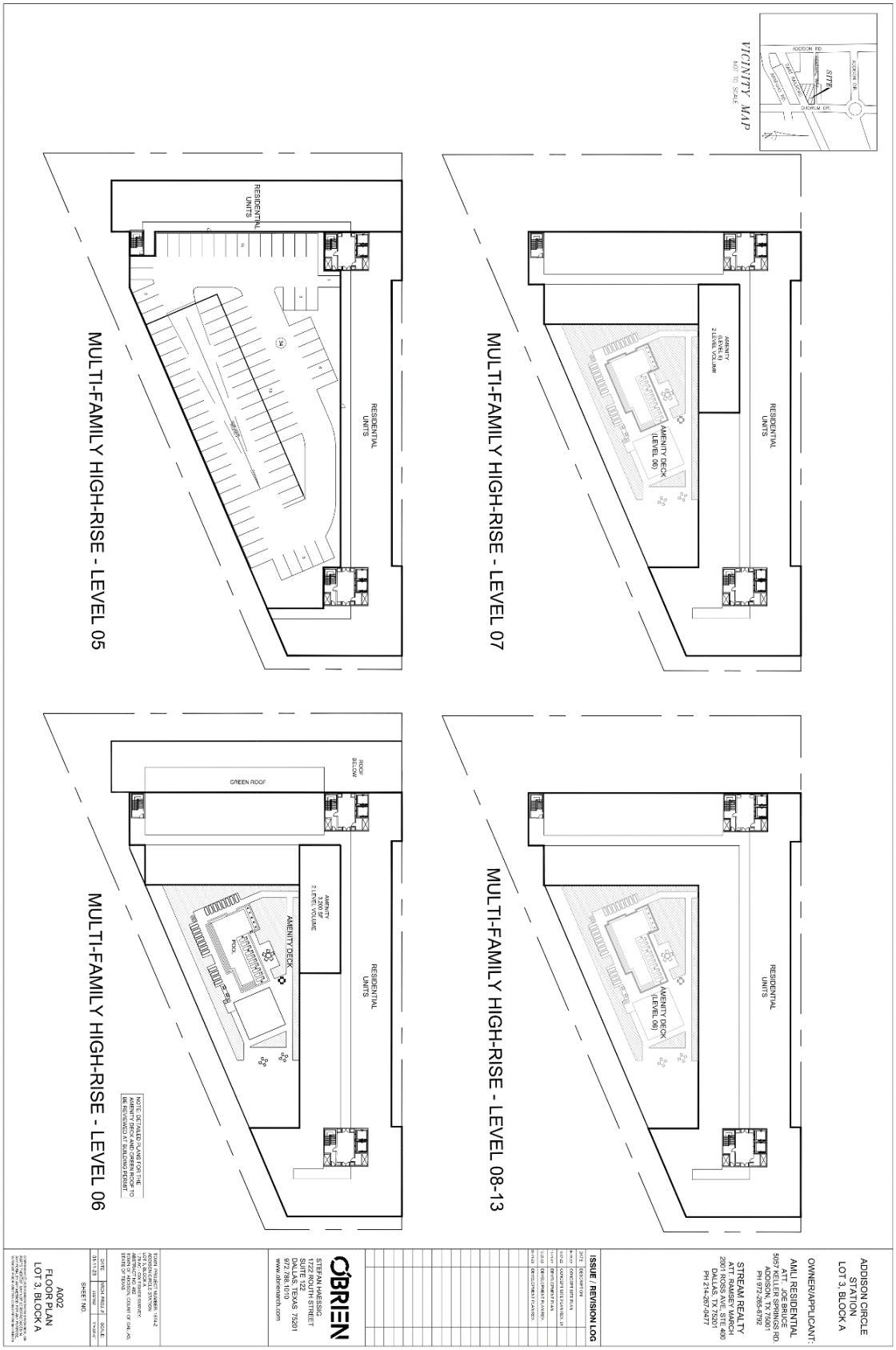

ADDISON CIRCLE STATION
LOT 3, BLOCK A
OWNER/APPLICANT:
AMLI RESIDENTIAL
ATT: JOE BRUCE
5957 KELLER SPRINGS RD
ADDISON, TX 75001
PH 972-406-9702
STREAM REALTY
ATT: RAMSEY MARCH
200 CRESCENT COURT, STE 400
DALLAS, TX 75201
PH 214-397-0477
ISSUE / REVISION LOG
O'BRIEN
STEPAN HAESSIG
1717 MCKINNEY AVENUE
SUITE 1122
DALLAS, TEXAS 75201
(972) 701-9100
www.obrienatx.com
TOWN PROJECT NUMBER: 19-02
ADDISON CIRCLE STATION
LOT 3, BLOCK A
ADDISON CIRCLE PHASE I
ABSTRACT NO. 486
TOWN OF ADDISON, COUNTY OF DALLAS
STATE OF TEXAS
DATE: 3/11/20
DRAWN PROJ #
SCALE:
SHEET NO.
A002
FLOOR PLAN
LOT 3, BLOCK A
MULTI-FAMILY HIGH-RISE - LEVEL 07
MULTI-FAMILY HIGH-RISE - LEVEL 08-13
MULTI-FAMILY HIGH-RISE - LEVEL 05
MULTI-FAMILY HIGH-RISE - LEVEL 06
VICINITY MAP
NOT TO SCALE
SITE
ADDISON RD.
KELLER SPRINGS RD.
ADDISON CIR.
QUORUM DR.
RESIDENTIAL UNITS
AMENITY DECK (LEVEL 06)
AMENITY (LEVEL 07) 2 LEVEL VOLUME
ROOF BELOW
GREEN ROOF
AMENITY DECK
POOL
NOTE: DETAILED PLANS FOR THE AMENITY DECK TO BE REVIEWED AT BUILDING PERMIT

Exhibit A

Summary Table
06 UNIT C9.A
43' x 37'
Net: 1433 S.F.
SCALE: 1/8" = 1'-0"
05 UNIT C6.A
42' x 32'
Net: 1285 S.F
SCALE: 1/8" = 1'-0"
04 UNIT C5.B
39' x 32'
Net: 1184 S.F.
SCALE: 1/8" = 1'-0"
03 UNIT A5.B
33' x 32'
Net: 959 S.F.
SCALE: 1/8" = 1'-0"
02 UNIT A5.A
30' x 32'
Net: 900 S.F.
SCALE: 1/8" = 1'-0"
01 UNIT A4.A
27' x 32'
Net: 818 S.F.
SCALE: 1/8" = 1'-0"
PROJECT TITLE:
ADDISON
CIRCLE STATION
LOT 03, BLOCK A
ADDISON
TEXAS
OWNER/APPLICANT:
AMLI RESIDENTIAL
ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
75001
PH 972-385-6702
STREAM REALTY
ATT: RAMSEY MARCH
2001 ROSS AVE STE 400
DALLAS, TX 75201
PH 214-207-0477
ISSUE/REVISION LOG
DATE
DESCRIPTION
09-19-22
CONCEPT SITE PLAN
O'BRIEN
1722 SOUTH STREET
SUITE 222
DALLAS, TEXAS 75201
972.788.3010
www.obrienarch.com
TOWN PROJECT NUMBER:
1874-Z
ADDISON CIRCLE STATION
LOT 3, BLOCK A
1.78 Ac- GW FISHER SURVEY,
ABSTRACT NO.482
TOWN OF ADDISON, COUNTY
OF DALLAS, STATE OF TEXAS.
DATE
ARCH. PROJ. #
09-19-22
ZONE
SHEET NO.
A003
UNIT PLANS
LOT 3, BLOCK A
COPYRIGHT © 2022 O'BRIEN ARCHITECTURE
ANY METHOD, TOOK ANY PURPOSE,
WITHOUT PRIOR WRITTEN CONSENT
FROM O'BRIEN

Exhibit A

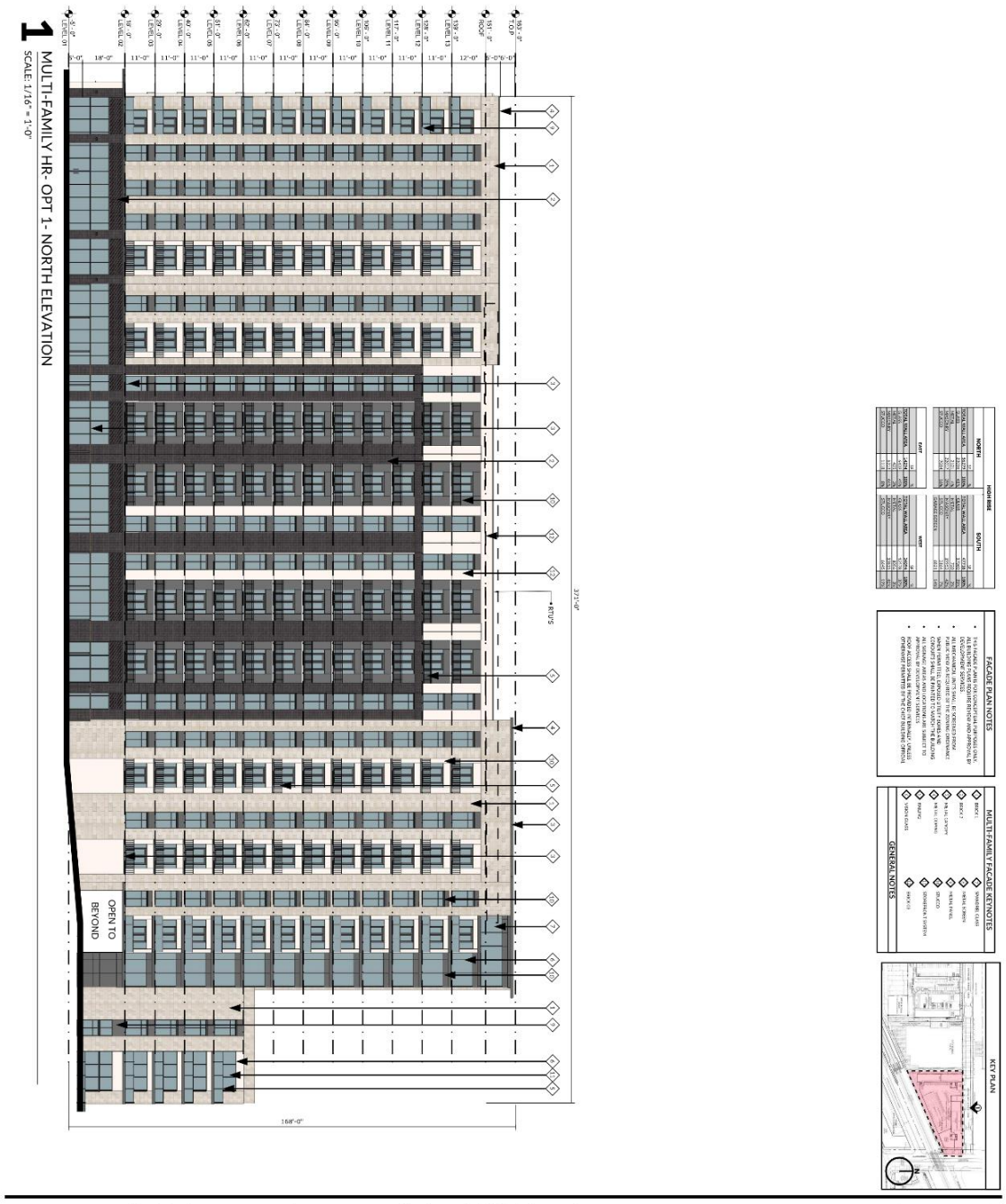

1 MULTI-FAMILY HR- OPT 1- NORTH ELEVATION
SCALE: 1/16" = 1'-0"
OPEN TO BEYOND
168'-0"
373'-0"
NORTH
SOUTH
FACADE PLAN NOTES
MULTI-FAMILY FACADE KEYNOTES
GENERAL NOTES
KEY PLAN
ADDISON
CIRCLE STATION
LOT 03, BLOCK A
OWNER/APPLICANT:
AMLI RESIDENTIAL
STREAM REALTY
O'BRIEN
ISSUE/REVISION LOG
FACADE PLAN
NORTH ELEVATION
A005

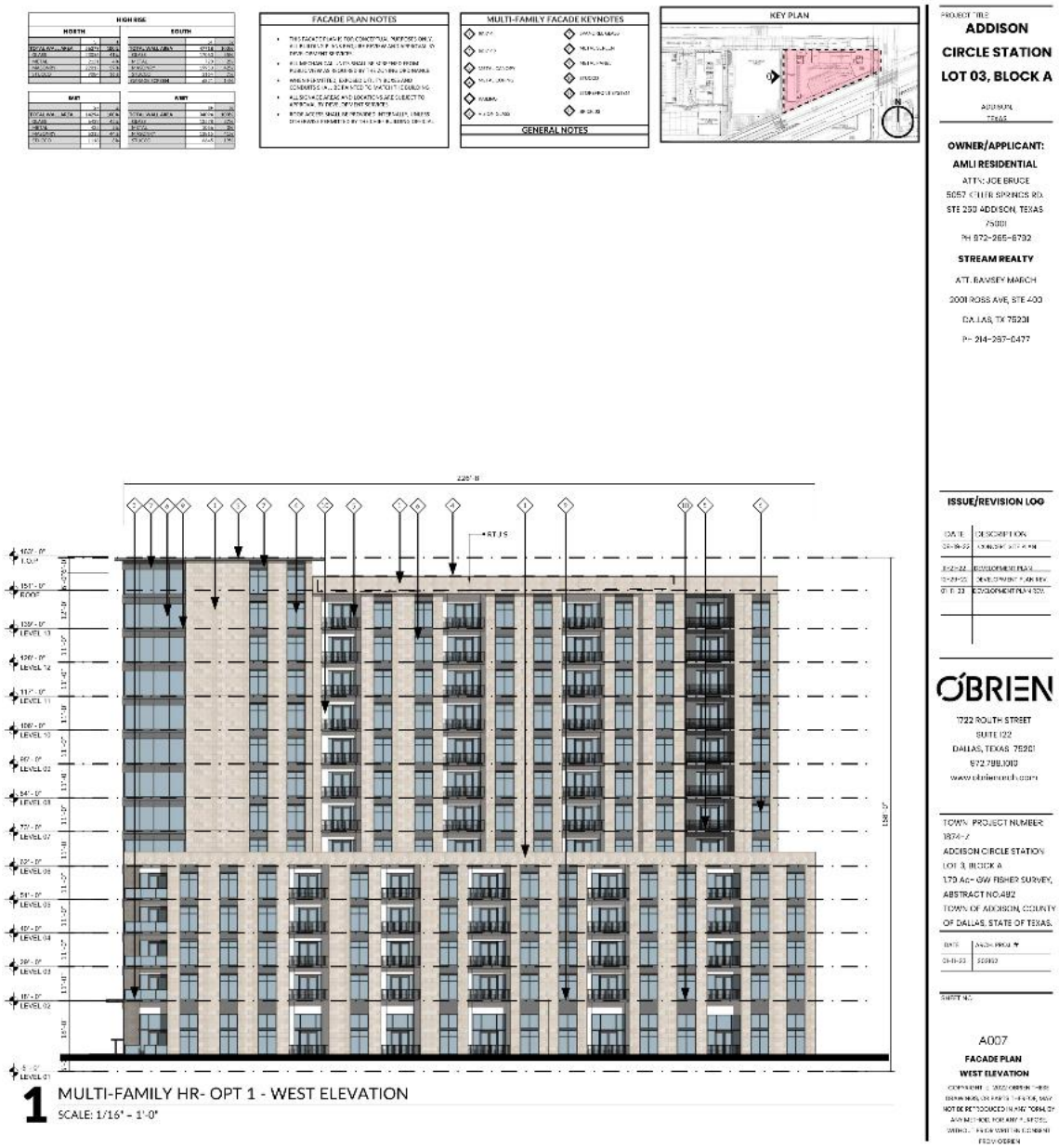
Exhibit A

MULTI-FAMILY HR - OPT 1 - SOUTH ELEVATION
SCALE: 1/16" = 1'-0"
168'-0"
315'-0"
ADDISON
CIRCLE STATION
LOT 03, BLOCK A
OWNER/APPLICANT:
AMLI RESIDENTIAL
ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
75001
PH: 972-265-8792
STREAM REALTY
ATT: RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH: 214-267-0477
O'BRIEN
1722 SOUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com
ISSUE/REVISION LOG
DATE
DESCRIPTION
08-24-22
CONCEPT SET PLAN
11-21-22
DEVELOPMENT PLAN
01-27-23
DEVELOPMENT PLAN REV.
03-17-23
DEVELOPMENT PLAN REV.
TOWN PROJECT NUMBER:
1874-Z
ADDISON CIRCLE STATION
LOT 3, BLOCK A
1.79 AC. OW TIBBIE SURVEY,
ABSTRACT NO. 462
TOWN OF ADDISON, COUNTY
OF DALLAS, STATE OF TEXAS
DATE
ARCH. TRIGG. #
01-17-23
20220
SHEET NO.
A006
FACADE PLAN
SOUTH ELEVATION
COPYRIGHT © 2022 O'BRIEN ARCHITECTURE
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NOT BE REPRODUCED OR PUBLISHED
IN ANY MATTER FOR ANY PURPOSE
WITHOUT PRIOR WRITTEN CONSENT
FROM O'BRIEN
KEY PLAN
MULTI-FAMILY FACADE KEYNOTES
GENERAL NOTES
FACADE PLAN NOTES

Exhibit A


HIGH RISE
NORTH
SOUTH
EAST
WEST
FACADE PLAN NOTES
MULTI-FAMILY FACADE KEYNOTES
GENERAL NOTES
KEY PLAN
PROJECT TITLE
ADDISON CIRCLE STATION
LOT 03, BLOCK A
ADDISON, TEXAS
OWNER/APPLICANT:
AMLI RESIDENTIAL
ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS 75001
PH 972-265-6732
STREAM REALTY
ATT: RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-267-0477
ISSUE/REVISION LOG
DATE
DESCRIPTION
O'BRIEN
1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienatch.com
TOWN PROJECT NUMBER
1874-Z
ADDISON CIRCLE STATION
LOT 3, BLOCK A
1.79 Ac- GW FISHER SURVEY,
ABSTRACT NO.492
TOWN OF ADDISON, COUNTY
OF DALLAS, STATE OF TEXAS.
SHEET NO.
A008
FACADE PLAN
EAST ELEVATION
226'-8"
187'-6"
1 MULTI-FAMILY HR- OPT 1 - EAST ELEVATION
SCALE: 1/16" = 1'-0"

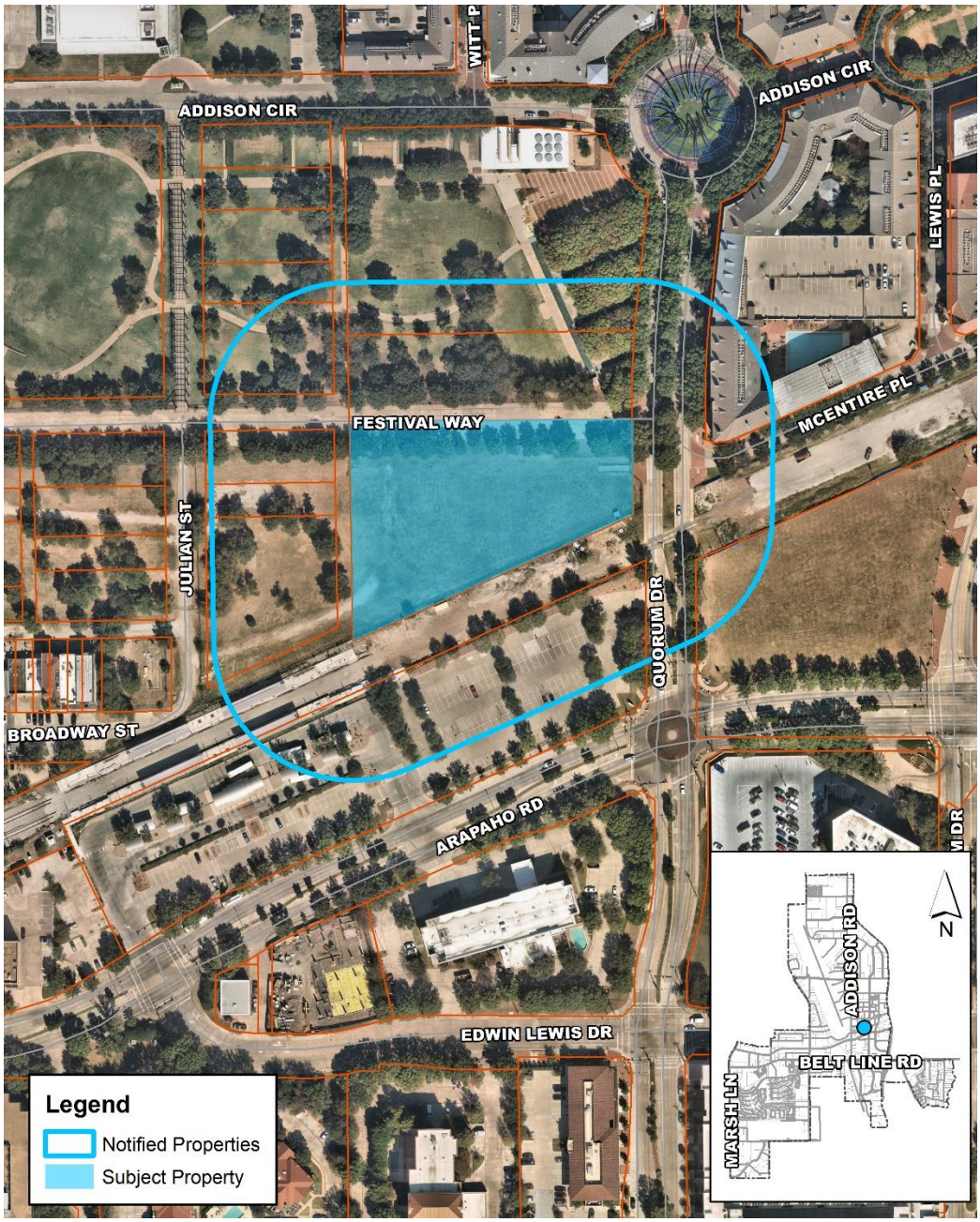
Exhibit A


HIGH RISE
NORTH
SOUTH
FACADE PLAN NOTES
MULTI-FAMILY FACADE KEYNOTES
GENERAL NOTES
KEY PLAN
PROJECT TITLE
ADDISON
CIRCLE STATION
LOT 03, BLOCK A
ADDISON
TEXAS
OWNER/APPLICANT:
AMLI RESIDENTIAL
ATTN: JOE BRUDE
5057 KELLER SPRINGS RD.
STE 230 ADDISON, TEXAS
75001
PH 972-265-6732
STREAM REALTY
ATT: RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
P- 214-297-0477
ISSUE/REVISION LOG
DATE
DESCRIPTION
O'BRIEN
1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienatl.com
TOWN PROJECT NUMBER
1874-Z
ADDISON CIRCLE STATION
LOT 3, BLOCK A
1.79 AC+ GW FISHER SURVEY,
ABSTRACT NO.492
TOWN OF ADDISON, COUNTY
OF DALLAS, STATE OF TEXAS.
SHEET NO.
A007
FACADE PLAN
WEST ELEVATION
1
MULTI-FAMILY HR- OPT 1 - WEST ELEVATION
SCALE: 1/16" = 1'-0"

1874-Z

PUBLIC HEARING Case 1874-Z/Multifamily Tower, Lot 3, Block A, Addison Circle Station – Phase I. Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance Adopting a Development Plan for Lot 3, Block A of Addison Circle Station – Phase I, Including a Site Plan, Landscape Plan, Facade and Floor Plans for a Multifamily Residential Building with Ground Floor Retail/Restaurant Uses, and Festival Way and Quorum Drive Streetscape Improvements on and adjacent to a 1.8 Acre Property at the Southwest Corner of Quorum Drive and Festival Way.

LOCATION MAP



January 17, 2023

STAFF REPORT

RE:	1874-Z/Multifamily Tower, Lot 3, Block A, Addison Circle Station – Phase I
LOCATION:	1.8 acres generally located at the southwest corner of Quorum Drive and Festival Way
REQUEST:	Development Plan approval, to include a site plan, landscape plan, facade and floor plans, for the construction of a multifamily residential building with ground floor retail/restaurant uses, and Festival Way and Quorum Drive streetscape improvements on and adjacent to Lot 3, Block A of Addison Circle Station – Phase I.
APPLICANT:	Joe Bruce, AMLI Development Company, and the Town of Addison

DISCUSSION:

Background: The proposed 1.8 acre Lot 3, Block A is located at the southwest corner of Quorum Drive and Festival Way. This proposed lot is comprised of a 13-story multifamily residential tower accommodating 270 dwelling units, and 10,000 square feet of retail/restaurant space and a patio at the ground floor engaging Festival Way and Quorum Drive. This building wraps and is constructed upon a 5-level podium parking structure that will provide 409 parking spaces, inclusive of dedicated retail parking spaces at the ground floor. An amenity deck and green roof will be provided on top of the parking podium, at the 6th floor. Access to the parking structure is provided from Festival Way.

The Planned Development (PD) zoning process in Addison is a two-step process. The first step, which will be addressed through the consideration of Rezoning Request, Case 1860-Z, includes initial rezoning, and adoption of an associated concept plan and development standards. With this request, the Town and Co-Developers are proceeding with the second step of the PD zoning process, Development Plan approval. Any action taken on this request is subject to approval of and any applicable conditions applied to Rezoning Request, Case 1860-Z.

Proposed Development Plan: The proposed Development Plan includes a site plan, landscape plan, facade and floor plans, for the construction of this multifamily residential building on the proposed Lot 3, Block A as well as improvements to the streetscape where this development site fronts Festival Way and Quorum Drive.

Staff Review: The purpose of this review is to determine compliance with the concept plan, development standards, and any associated conditions presented by the Planning & Zoning Commission's review of Case 1860-Z.

Uses: The applicant is proposing 270 residential dwelling units and 10,000 square feet of ground floor retail space. **The proposed uses comply with the permitted uses presented by Rezoning Request, Case 1860-Z.**

Concept Plan and Development Standards:

Landscape and Public Open Space: The proposed landscape plan has accommodated street trees and planting zones as required by the Streetscape Master Plan, through preservation and transplanting of existing trees, and planting new trees. The plan accommodates appropriate landscape treatments to applicable common areas and public open space, and includes needed street furnishings such as benches and planters, with final design of these very detailed elements to be refined during civil plan review.

Streetscape Standards and Pavement Treatments: The proposed site plan achieves the minimum building setbacks from Festival Way and Quorum Drive, as well as the required sidewalk clear widths of 10 feet on Festival Way and 8 feet on Quorum Drive. Special paving treatments are appropriately applied throughout the streetscape and at pedestrian crosswalks.

Multifamily Tower Form Standards: The proposed façade plan achieves the 13 story minimum building height, subject to future FAA Part 77 review. The proposed ground floor retail space exceeds the 16 foot minimum floor to floor height, providing an elevated pedestrian experience at the Festival Way and Quorum frontage.

Airport Noise Mitigation: The proposed building is located outside of the 65 DNL noise contour for Addison Airport.

Parking: The proposed 421 parking spaces provided exceeds the minimum parking required by one space. The final quantity of required retail parking accommodated in the multifamily parking structure is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.

Façade: The proposed façade plan is subject to any negotiated conditions included in the definitive agreements between the Town and Co-Developers.

Mechanical Equipment and Solid Waste: The façade plan depicts all proposed mechanical equipment as being roof-mounted and appropriately screened. Solid waste and recycling facilities are enclosed and accessible from the ground level at the western end of the Festival Way façade.

Sustainability and Residential Dwelling Unit Features: Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by the definitive agreements between the Town and Co-Developers. Compliance with residential dwelling unit interior furnishing requirements will be confirmed during the building permit review and inspection process.

The proposed site, landscape and building design complies with the concept plan and development standards presented by Rezoning Request, Case 1860-Z.

RECOMMENDATION: **APPROVAL WITH CONDITIONS**

Staff has reviewed the Development Plan and determined it to be in compliance with the concept plan and development standards prescribed by Rezoning Request, Case 1860-Z.

Staff recommends approval of the request subject to the following conditions:

- Final public and private landscape and street furnishing design to be completed during civil plan review.
- The final quantity of required retail parking accommodated in the multifamily parking structure is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.
- Building permit approval is subject to compliance with FAA Part 77 review for building height and final confirmation of residential building sites being situated outside of the 65 DNL noise contour.
- Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by the definitive agreements agreement between the Town and Co-Developers.

Case 1874-Z/ Multifamily Tower, Lot 3, Block A, Addison Circle Station – Phase I

January 17, 2023

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on January 17, 2023, voted to recommend approval of an Ordinance Adopting a Development Plan for Lot 3, Block A of Addison Circle Station – Phase I, including a Site Plan, Landscape Plan, Façade and Floor Plans for a Multifamily Residential Building with Ground Floor Retail/Restaurant Uses, and Festival Way and Quorum Drive Streetscape Improvements on and adjacent to a 1.8 Acre Property at the Southwest Corner of Quorum Drive and Festival Way, and situated within a proposed Planned Development (PD) District (Case #1860-Z), subject to the following conditions:

- Final public and private landscape and street furnishing design to be completed during civil plan review.

- The final quantity of required retail parking accommodated in the multifamily parking structure is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.

- Building permit approval is subject to compliance with FAA Part 77 review for building height and final confirmation of residential building sites being situated outside of the 65 DNL noise contour.

- Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by the definitive agreements between the Town and Co-Developers.

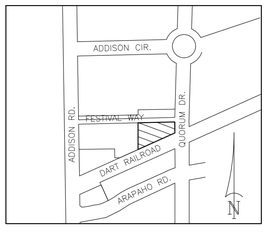
Voting Aye: Branson, Catalani, Craig, Faircloth, Fansler, Souers, DeFrancisco
Voting Nay: none
Absent: none

SPEAKERS AT THE PUBLIC HEARING:

For: none
On: none
Against: none

Summary Table	
SITE DENSITY	
LOT AREA (AC/SF)	1.79 AC / 77,957 SF
TOTAL UNITS	270 UNITS
RESIDENTIAL DENSITY (UNITS/AC)	151 U/AC
ZONING	
ZONING	Planned Development (PD)
LAND USE	Multifamily/Retail/Restaurant
LANDSCAPE AREA SUMMARY	
BUILDING COVERAGE (SF/%)	61,738 SF / 79.19 %
LANDSCAPE AREA (SF/%)	5,833 SF / 7.48 %
MULTIFAMILY UNITS	
1 BED/EFF. 1 BATH	162 UNITS
2 BED 2 BATH	108 UNITS
3 BED 3 BATH	0
TOTAL	270 UNITS
AVERAGE UNIT NET AREA	1,100 SF
BUILDING SUMMARY	
BUILDING HEIGHT (STORIES/FEET)	13 STORIES MAX / 168' MAX
BUILDING FLOOR AREA - RESIDENTIAL (SF)	297,000 SF
BUILDING FLOOR AREA - LEASING/AMENITY (SF)	9,200 SF
BUILDING FLOOR AREA - RETAIL/RESTAURANT (SF)	10,000 SF
TOTAL BUILDING FLOOR AREA (SF)	316,200 SF
RETAIL PATIO FLOOR AREA (SF)	1,200 SF
TOTAL BUILDING GROSS AREA (SF)	405,380 SF
PARKING GARAGE GROSS AREA (SF)	161,392 SF
PARKING	
PARKING REQUIRED MUTLIFAMILY UNITS & RETAIL/RESTAURANT	
1 PER BEDROOM / MAX 2 PER UNIT	378 SP
LEASING OFFICE 1/300 SF	8 SP
RETAIL 1/300 SF	34 SP
TOTAL	420 SP
PARKING PROVIDED MUTLIFAMILY UNITS & RETAIL/RESTAURANT	
Garage	409 SP
Surface	12 SP
TOTAL	421

NOTES:
1. REFER TO LANDSCAPE PLAN FOR STREETSCAPE AND LANDSCAPE DETAILS.
BUILDING ENTRYWAYS, STREET, AND SITE FURNISHINGS TO BE FULLY DEFINED DURING CIVIL PLAN AND BUILDING PERMIT REVIEW.
2. UNIT MIX IS AN ESTIMATE SUBJECT TO CHANGE WITHOUT STAFF APPROVAL.



VICINITY MAP
NOT TO SCALE

ADDISON CIRCLE PARK

FESTIVAL WAY - 53' R.O.W., 1.31 AC

N89° 01' 54.31"E 403.182'

8'X22' TYP.

1,240 SF PATIO

TENANT MOVE IN AREA

SERVICE / TRASH ROOM

GATE

LEVEL 01 RETAIL / RESTAURANT
10,000 SF

LEVEL 01
LEASING
6,000 SF

5 & 13 LEVEL
MULTI-FAMILY HIGH RISE
W. RETAIL AT LVL 01
(5 LEVEL PARKING GARAGE - 409 SP, 34 SP SHARED)

LOT 3, BLOCK A
1.79 AC

RESIDENTIAL UNITS

SHARED PARKING

SHARED PARKING 14

(13 SP UNDER RAMP AT LVL 01)

SPEED RAMP UP TO LEVEL 2

PROPOSED 12' TRAIL

PROPOSED 24' FIRE LANE / PEDESTRIAN ACCESS & UTILITY EASEMENT

N1° 00' 57.98"W 310.115'

DART - SILVER LINE

N65° 45' 15.90"E 438.351'

S 00°51'44" E 136.90'

105' ROW

10' SETBACK

POSSIBLE FUTURE HOODED LEFT-TURN

QUORUM DRIVE

N0° 50' 11.80"W 182.077'

PHASE 2
OFFICE &
TRANSIT HUB

OHE TO BE BURIED PER STREETSCAPE MASTER PLAN

N

50 25 0 50

1 INCH = 20 FEET

ADDISON CIRCLE STATION
LOT 3, BLOCK A

OWNER/APPLICANT:

AMLI RESIDENTIAL
ATT. JOE BRUCE
5057 KELLER SPRINGS RD.
ADDISON, TX 75001
PH 972-265-6792

STREAM REALTY
ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-267-0477

PH 850-685-7859

ISSUE / REVISION LOG

DATE	DESCRIPTION
08-19-22	CONCEPT SITE PLAN
10-07-22	CONCEPT SITE PLAN REV. 01
11-21-22	DEVELOPMENT PLAN
12-29-22	DEVELOPMENT PLAN REV.
01-11-23	DEVELOPMENT PLAN REV.

O'BRIEN
STEFAN HAESSIG
1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com

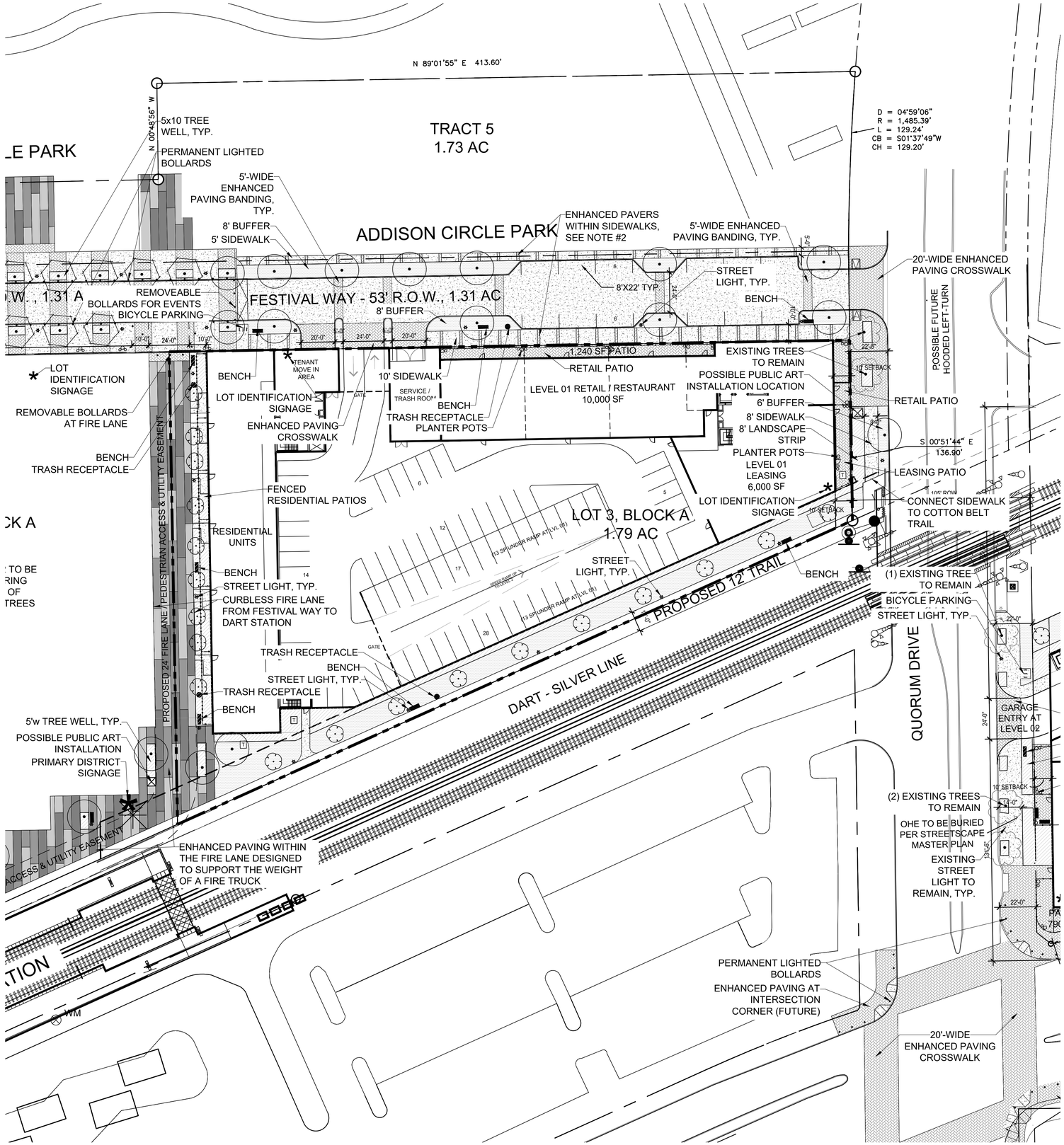
TOWN PROJECT NUMBER: 1874-Z
ADDISON CIRCLE STATION
LOT 3, BLOCK A
1.79 AC - GW FISHER SURVEY,
ABSTRACT NO. 482
TOWN OF ADDISON, COUNT OF DALLAS, STATE OF TEXAS

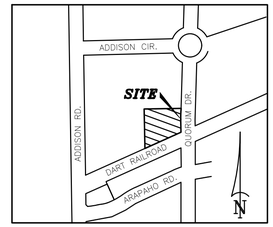
DATE:	ARCH. PROJ. #:	SCALE:
01-11-23	202162	1"=20'-0"

SHEET NO.

A001
SITE PLAN
LOT 03, BLOCK A

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VICINITY MAP
NOT TO SCALE

NOTES:

1. PATIOS, PLANT MATERIAL, AND PAVING ENHANCEMENTS ARE PROPOSED AND SUBJECT TO ADJUSTMENT TO ACCOUNT FOR ARCHITECTURAL REVISIONS AND FEATURES. AS ADDITIONAL INFORMATION IS PROVIDED RELATED TO ARCHITECTURAL FEATURES, THE LANDSCAPE DESIGN WILL CONTINUE TO BE REVISED TO ACCOMMODATE THESE REVISIONS.
2. ENHANCED PAVING TO BE BRICK PAVERS, CONCRETE PAVERS, AND/ OR STAMPED AND STAINED CONCRETE. FINAL DETERMINATION OF PAVING MATERIAL SHOULD BE DETERMINED AT PERMIT PHASE

PRELIMINARY PLANT SCHEDULE SCHEDULE

SHADE TREE 6-8" CAL. SIZE -		17
ORNAMENTAL/EVERGREEN TREE -		20
TRANSPLANTED TREE -		8
SHRUB/GROUND COVER -		3,611 sf
SOD -		8,714 sf
EXISTING TREES TO REMAIN		

LOT 3 TOTAL LANDSCAPE AREA = 5,833 SF

TEXAS811
CALL BEFORE YOU DIG!
TEXAS ONE-CALL CENTER
IT'S THE LAW!

LandDesign.
5301 ALPHA ROAD, SUITE 24
DALLAS, TX 75240
214.785.6009
WWW.LANDDESIGN.COM

KEY MAP

SEAL

PRELIMINARY
FOR REVIEW PURPOSES ONLY AND SHALL NOT BE USED FOR BIDDING, PERMITTING, OR CONSTRUCTION.

C. Heth Kendrick
Registered Landscape Architect of the State of TEXAS
Registration Number: 2948

PROJECT

ADDISON CIRCLE STATION PHASE I

AMLI RESIDENTIAL

ADDISON, TX

LANDDESIGN PROJ.#
8521186

REVISION / ISSUANCE

NO.	DESCRIPTION	DATE
	TOWN REVISIONS	11.18.2022
	TOWN REVISIONS	12.29.2022
	TOWN REVISIONS	01.13.2023

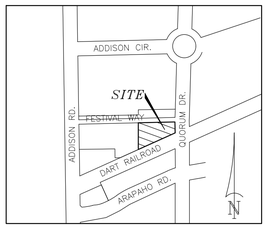
DESIGNED BY: XX
DRAWN BY: XX
CHECKED BY: XX

SCALE
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HORZ: 1"=30'
0 15' 30' 60'

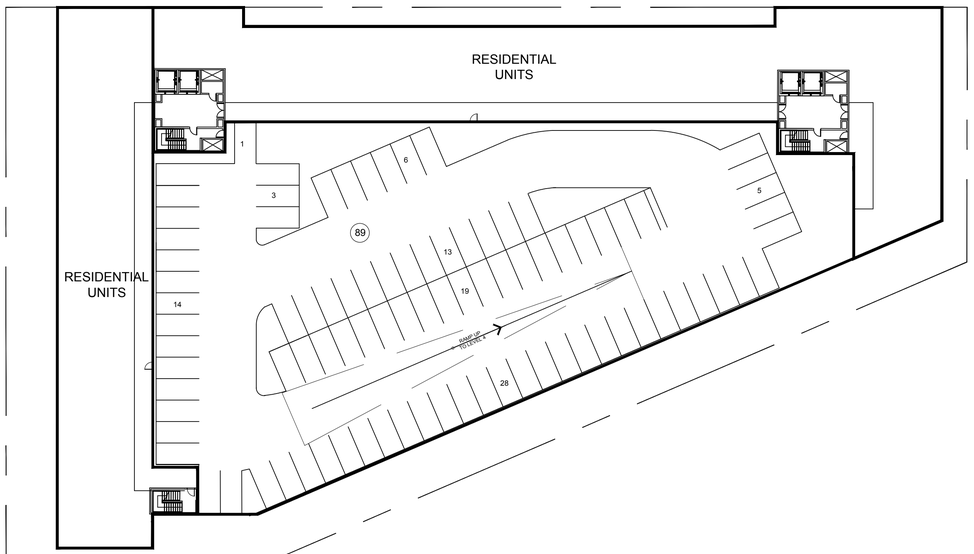
NORTH

SHEET TITLE
LOT 03, BLOCK A
LANDSCAPE PLAN

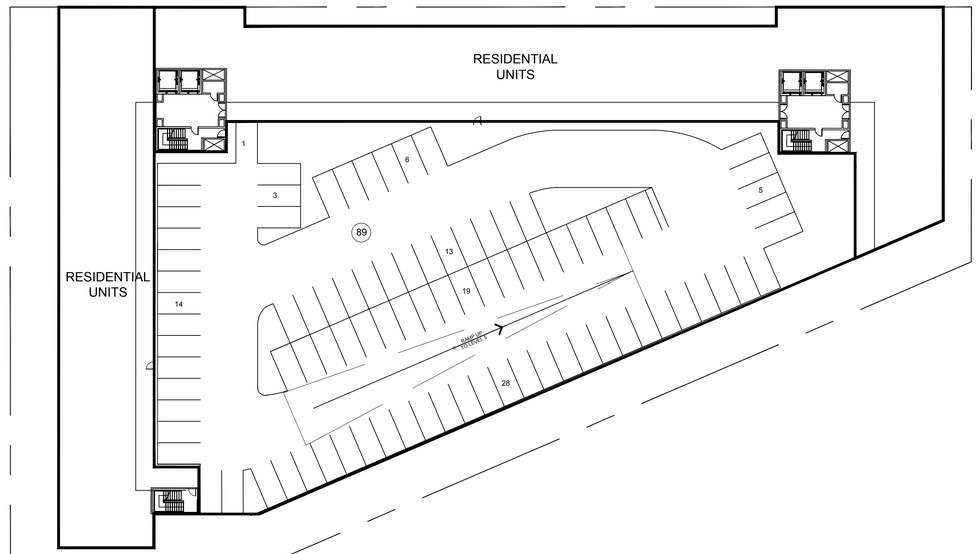
SHEET NUMBER
L6-30



VICINITY MAP
NOT TO SCALE

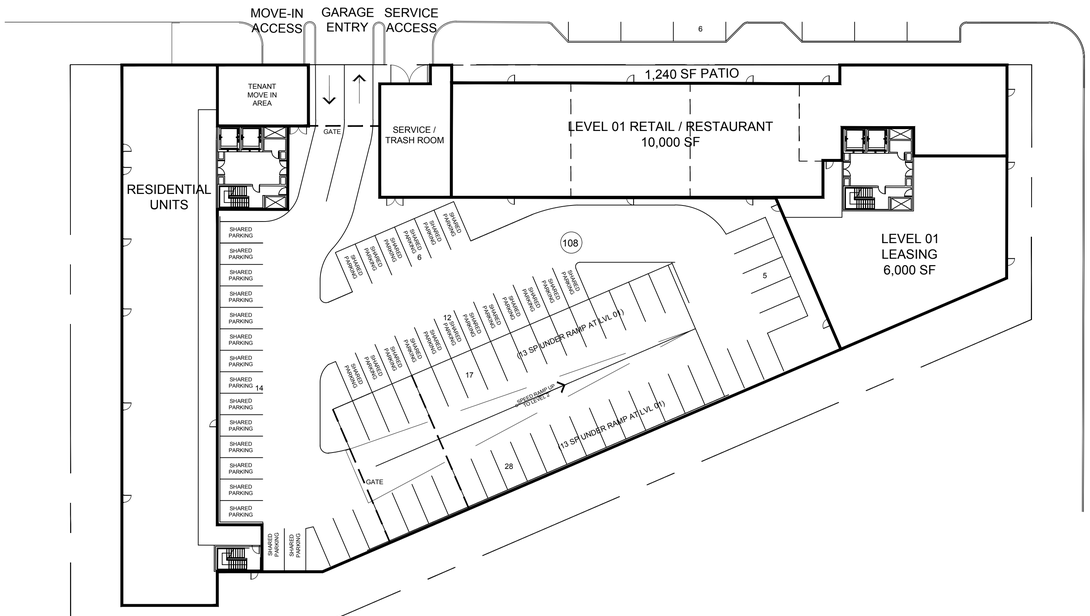


MULTI-FAMILY HIGH-RISE - LEVEL 03

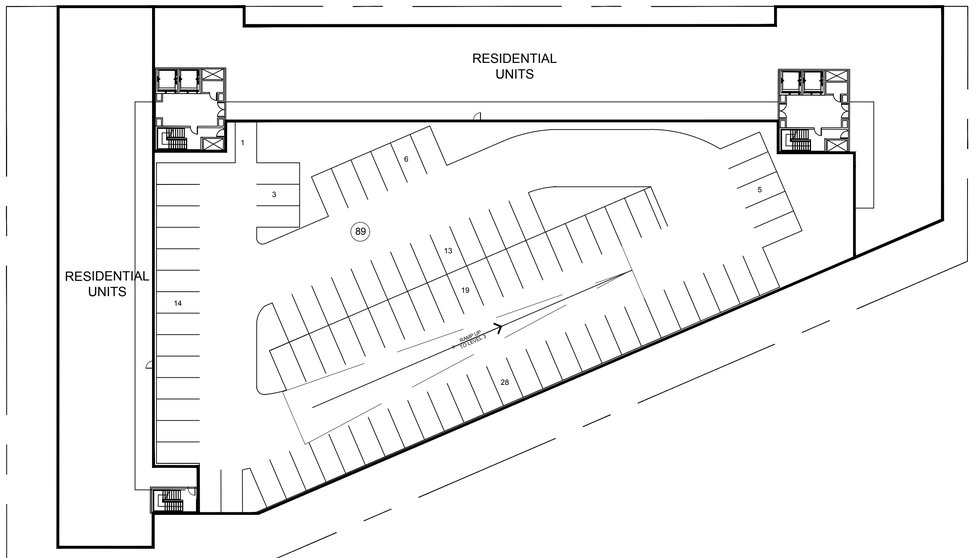


MULTI-FAMILY HIGH-RISE - LEVEL 04

FESTIVAL WAY



MULTI-FAMILY HIGH-RISE - LEVEL 01



MULTI-FAMILY HIGH-RISE - LEVEL 02

ADDISON CIRCLE STATION
LOT 3, BLOCK A

OWNER/APPLICANT:

AMLI RESIDENTIAL
ATT. JOE BRUCE
5057 KELLER SPRINGS RD.
ADDISON, TX 75001
PH 972-265-6792

STREAM REALTY
ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-267-0477

ISSUE / REVISION LOG

DATE	DESCRIPTION	
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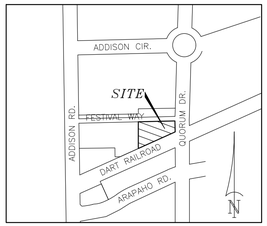
TOWN PROJECT NUMBER: 1874-Z
ADDISON CIRCLE STATION
LOT 3, BLOCK A
1.79 AC - GW FISHER SURVEY,
ABSTRACT NO. 482
TOWN OF ADDISON, COUNT OF DALLAS,
STATE OF TEXAS

DATE:	ARCH. PROJ. #	SCALE:
01-11-23	202162	1"=30'-0"

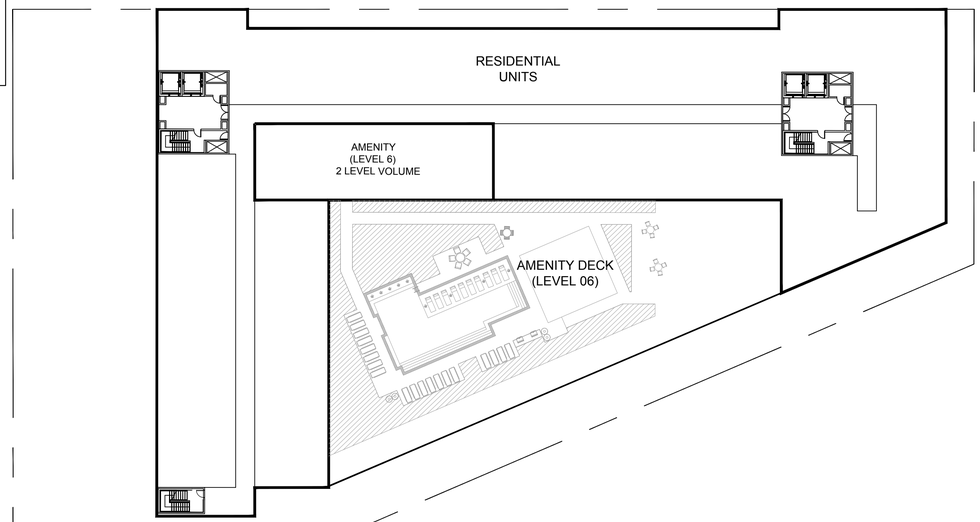
SHEET NO.

A001
FLOOR PLAN
LOT 3, BLOCK A

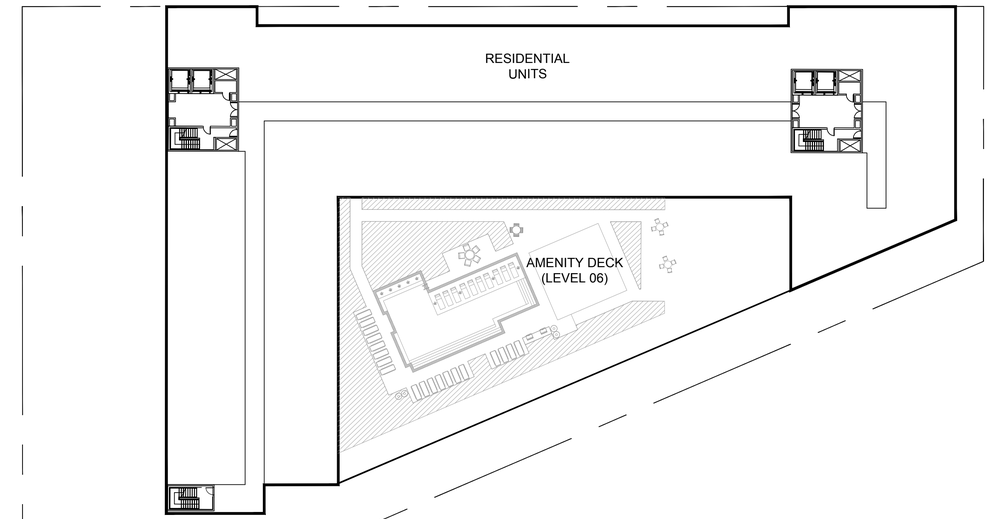
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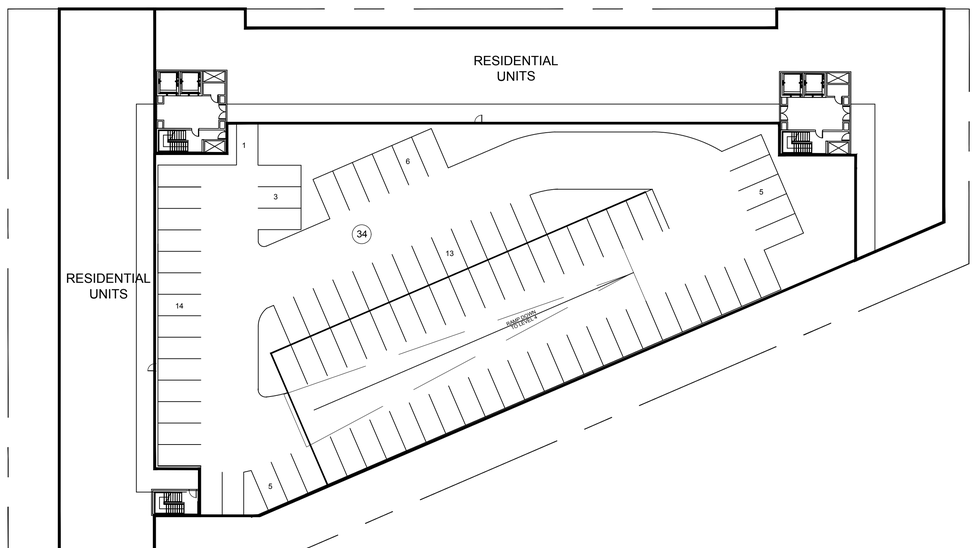
VICINITY MAP
NOT TO SCALE



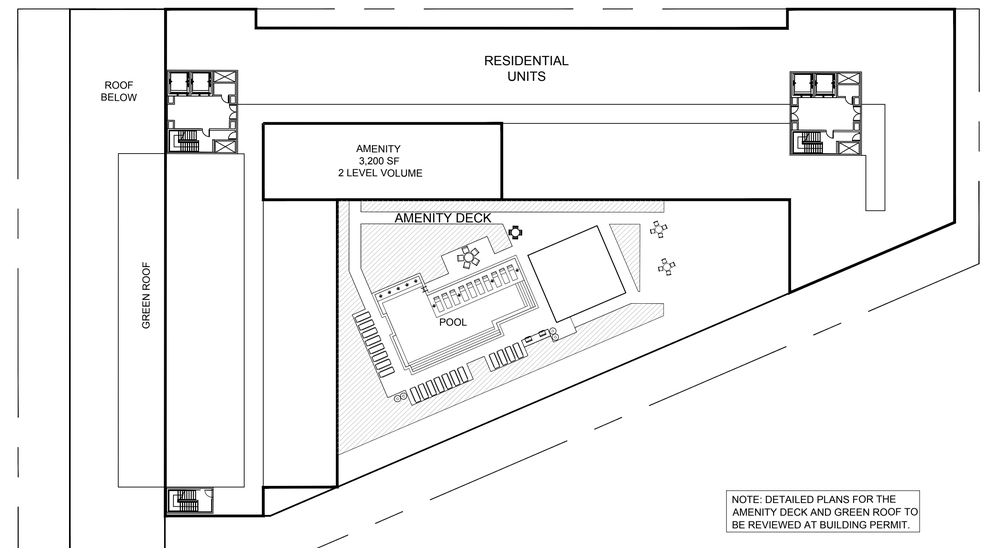
MULTI-FAMILY HIGH-RISE - LEVEL 07



MULTI-FAMILY HIGH-RISE - LEVEL 08-13



MULTI-FAMILY HIGH-RISE - LEVEL 05



NOTE: DETAILED PLANS FOR THE AMENITY DECK AND GREEN ROOF TO BE REVIEWED AT BUILDING PERMIT.

MULTI-FAMILY HIGH-RISE - LEVEL 06

ADDISON CIRCLE
STATION
LOT 3, BLOCK A

OWNER/APPLICANT:

AMLI RESIDENTIAL
ATT. JOE BRUCE
5057 KELLER SPRINGS RD.
ADDISON, TX 75001
PH 972-265-6792

STREAM REALTY
ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
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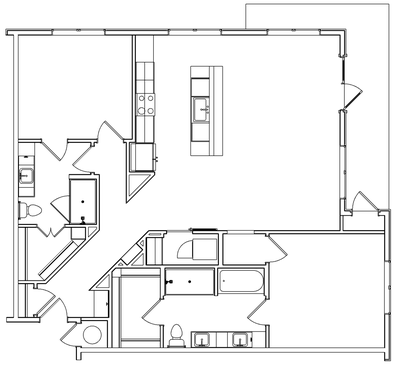
DATE:	ARCH. PROJ. #:	SCALE:
01-11-23	202162	1"=30'-0"

SHEET NO.

A002
FLOOR PLAN
LOT 3, BLOCK A

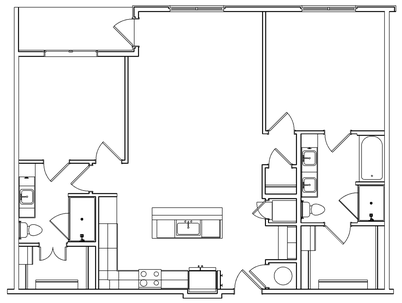
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Summary Table	
SITE DENSITY	
LOT AREA (AC/SF)	1.79 AC / 77,957 SF
TOTAL UNITS	270 UNITS
RESIDENTIAL DENSITY (UNITS/AC)	151 U/AC
ZONING	
ZONING	Planned Development (PD)
LAND USE	Multifamily/Retail/Restaurant
LANDSCAPE AREA SUMMARY	
BUILDING COVERAGE (SF/%)	61,738 SF / 79.19 %
LANDSCAPE AREA (SF/%)	5,833 SF / 7.48 %
MULTIFAMILY UNITS	
1 BED/EFF. 1 BATH	162 UNITS
2 BED 2 BATH	108 UNITS
3 BED 3 BATH	0
TOTAL	270 UNITS
AVERAGE UNIT NET AREA	1,100 SF
BUILDING SUMMARY	
BUILDING HEIGHT (STORIES/FEET)	13 STORIES MAX / 168' MAX
BUILDING FLOOR AREA - RESIDENTIAL (SF)	297,000 SF
BUILDING FLOOR AREA - LEASING/AMENITY (SF)	9,200 SF
BUILDING FLOOR AREA - RETAIL/RESTAURANT (SF)	10,000 SF
TOTAL BUILDING FLOOR AREA (SF)	316,200 SF
RETAIL PATIO FLOOR AREA (SF)	1,200 SF
TOTAL BUILDING GROSS AREA (SF)	405,380 SF
PARKING GARAGE GROSS AREA (SF)	161,392 SF
PARKING	
PARKING REQUIRED MUTLIFAMILY UNITS & RETAIL/RESTAURANT	
1 PER BEDROOM / MAX 2 PER UNIT	378 SP
LEASING OFFICE 1/300 SF	8 SP
RETAIL 1/300 SF	34 SP
TOTAL	420 SP
PARKING PROVIDED MUTLIFAMILY UNITS & RETAIL/RESTAURANT	
Garage	409 SP
Surface	12 SP
TOTAL	421



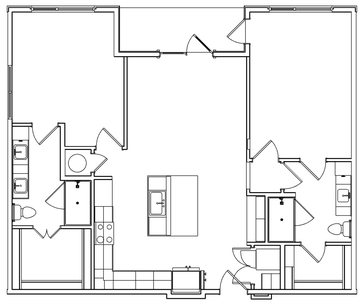
06 UNIT C9.A
43' x 37'
Net: 1433 S.F.

SCALE: 1/8" = 1'-0"



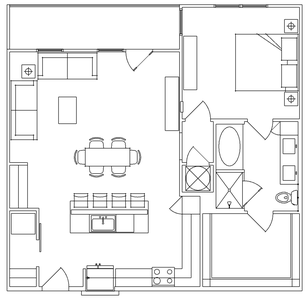
05 UNIT C6.A
42' x 32'
Net: 1285 S.F

SCALE: 1/8" = 1'-0"



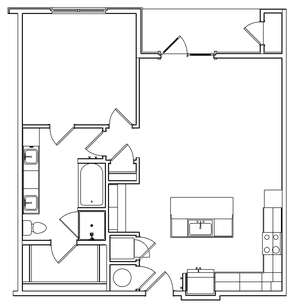
04 UNIT C5.B
39' x 32'
Net: 1184 S.F.

SCALE: 1/8" = 1'-0"



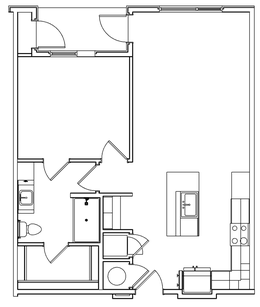
03 UNIT A5.B
33' x 32'
Net: 959 S.F.

SCALE: 1/8" = 1'-0"



02 UNIT A5.A
30' x 32'
Net: 900 S.F.

SCALE: 1/8" = 1'-0"



01 UNIT A4.A
27' x 32'
Net: 818 S.F.

SCALE: 1/8" = 1'-0"

PROJECT TITLE:

ADDISON CIRCLE STATION LOT 03, BLOCK A

ADDISON,
TEXAS

OWNER/APPLICANT:
AMLI RESIDENTIAL
ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
75001
PH 972-265-6792

STREAM REALTY
ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-267-0477

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01-11-23	DEVELOPMENT PLAN REV.

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TOWN PROJECT NUMBER:
1874-Z
ADDISON CIRCLE STATION
LOT 3, BLOCK A
1.79 Ac- GW FISHER SURVEY,
ABSTRACT NO.482
TOWN OF ADDISON, COUNTY
OF DALLAS, STATE OF TEXAS.

DATE	ARCH. PROJ. #
01-11-23	202162

SHEET NO.

A003

UNIT PLANS
LOT 3, BLOCK A

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HIGH RISE		
NORTH		
	SF	%
TOTAL WALL AREA	**56279**	**100%**
GLASS	23056	41%
METAL	2121	4%
MASONRY	22017	39%
STUCCO	9084	16%

SOUTH		
	SF	%
TOTAL WALL AREA	**47718**	**100%**
GLASS	17060	35%
METAL	720	2%
MASONRY	19953	42%
STUCCO	3164	7%
GARAGE SCREEN	6821	14%

EAST		
	SF	%
TOTAL WALL AREA	**14294**	**100%**
GLASS	6439	45%
METAL	425	3%
MASONRY	6313	44%
STUCCO	1118	8%

WEST		
	SF	%
TOTAL WALL AREA	**34094**	**100%**
GLASS	12578	37%
METAL	1056	3%
MASONRY	13815	41%
STUCCO	6645	19%

FACADE PLAN NOTES

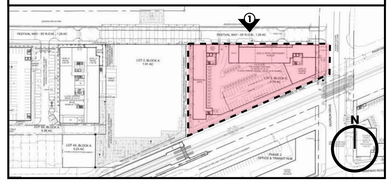
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- ROOF ACCESS SHALL BE PROVIDED INTERNALLY, UNLESS OTHERWISE PERMITTED BY THE CHIEF BUILDING OFFICIAL

MULTI-FAMILY FACADE KEYNOTES

1. BRICK 1
2. BRICK 2
3. METAL CANOPY
4. METAL COPING
5. RAILING
6. VISION GLASS
7. SPANDREL GLASS
8. METAL SCREEN
9. METAL PANEL
10. STUCCO
11. STOREFRONT SYSTEM
12. BRICK 03

GENERAL NOTES

KEY PLAN





1 MULTI-FAMILY HR- OPT 1- NORTH ELEVATION

SCALE: 1/16" = 1'-0"

PROJECT TITLE:

ADDISON CIRCLE STATION LOT 03, BLOCK A

ADDISON,
TEXAS

OWNER/APPLICANT:

AMLI RESIDENTIAL

ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
75001
PH 972-265-6792

STREAM REALTY

ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-267-0477

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1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
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TOWN PROJECT NUMBER:
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TOWN OF ADDISON, COUNTY
OF DALLAS, STATE OF TEXAS.

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SHEET NO.

A005

FACADE PLAN

NORTH ELEVATION

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HIGH RISE		
NORTH		
	SF	%
TOTAL WALL AREA	**56279**	**100%**
GLASS	23056	41%
METAL	2121	4%
MASONRY	22017	39%
STUCCO	9084	16%

SOUTH		
	SF	%
TOTAL WALL AREA	**47718**	**100%**
GLASS	17060	35%
METAL	720	2%
MASONRY	19953	42%
STUCCO	3164	7%
GARAGE SCREEN	6821	14%

EAST		
	SF	%
TOTAL WALL AREA	**14294**	**100%**
GLASS	6439	45%
METAL	425	3%
MASONRY	6313	44%
STUCCO	1118	8%

WEST		
	SF	%
TOTAL WALL AREA	**34094**	**100%**
GLASS	12578	37%
METAL	1056	3%
MASONRY	13815	41%
STUCCO	6645	19%

FACADE PLAN NOTES

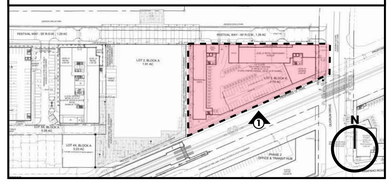
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MULTI-FAMILY FACADE KEYNOTES

1 BRICK 1	7 SPANDREL GLASS
2 BRICK 2	8 METAL SCREEN
3 METAL CANOPY	9 METAL PANEL
4 METAL COPING	10 STUCCO
5 RAILING	11 STOREFRONT SYSTEM
6 VISION GLASS	12 BRICK 03

GENERAL NOTES

KEY PLAN





1 MULTI-FAMILY HR - OPT 1 - SOUTH ELEVATION

SCALE: 1/16" = 1'-0"

PROJECT TITLE:

ADDISON CIRCLE STATION LOT 03, BLOCK A

ADDISON,
TEXAS

OWNER/APPLICANT:

AMLI RESIDENTIAL

ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
75001
PH 972-265-6792

STREAM REALTY

ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
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OF DALLAS, STATE OF TEXAS.

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01-11-23	202162

SHEET NO.

A006

FACADE PLAN

SOUTH ELEVATION

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HIGH RISE		
NORTH		
	SF	%
TOTAL WALL AREA	**56279**	**100%**
GLASS	23056	41%
METAL	2121	4%
MASONRY	22017	39%
STUCCO	9084	16%

SOUTH		
	SF	%
TOTAL WALL AREA	**47718**	**100%**
GLASS	17060	35%
METAL	720	2%
MASONRY	19953	42%
STUCCO	3164	7%
GARAGE SCREEN	6821	14%

EAST		
	SF	%
TOTAL WALL AREA	**14294**	**100%**
GLASS	6439	45%
METAL	425	3%
MASONRY	6313	44%
STUCCO	1118	8%

WEST		
	SF	%
TOTAL WALL AREA	**34094**	**100%**
GLASS	12578	37%
METAL	1056	3%
MASONRY	13815	41%
STUCCO	6645	19%

FACADE PLAN NOTES

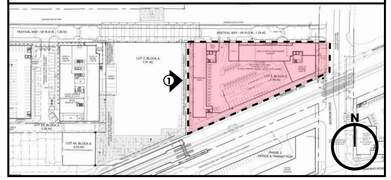
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MULTI-FAMILY FACADE KEYNOTES

1. BRICK 1
2. BRICK 2
3. METAL CANOPY
4. METAL COPING
5. RAILING
6. VISION GLASS
7. SPANDREL GLASS
8. METAL SCREEN
9. METAL PANEL
10. STUCCO
11. STOREFRONT SYSTEM
12. BRICK 03

GENERAL NOTES

KEY PLAN





1 MULTI-FAMILY HR- OPT 1 - WEST ELEVATION

SCALE: 1/16" = 1'-0"

PROJECT TITLE:

ADDISON CIRCLE STATION LOT 03, BLOCK A

ADDISON,
TEXAS

OWNER/APPLICANT:

AMLI RESIDENTIAL

ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
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OF DALLAS, STATE OF TEXAS.

DATE	ARCH. PROJ. #
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SHEET NO.

A007

FACADE PLAN

WEST ELEVATION

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HIGH RISE					
NORTH			**SOUTH**		
	SF	%		SF	%
TOTAL WALL AREA	**56279**	**100%**	**TOTAL WALL AREA**	**47718**	**100%**
GLASS	23056	41%	GLASS	17060	35%
METAL	2121	4%	METAL	720	2%
MASONRY	22017	39%	MASONRY	19953	42%
STUCCO	9084	16%	STUCCO	3164	7%
			GARAGE SCREEN	6821	14%

EAST			WEST		
	SF	%		SF	%
TOTAL WALL AREA	**14294**	**100%**	**TOTAL WALL AREA**	**34094**	**100%**
GLASS	6439	45%	GLASS	12578	37%
METAL	425	3%	METAL	1056	3%
MASONRY	6313	44%	MASONRY	13815	41%
STUCCO	1118	8%	STUCCO	6645	19%

FACADE PLAN NOTES

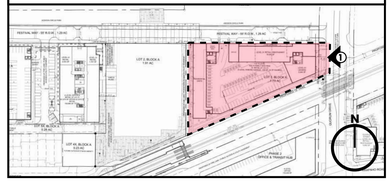
- THIS FACADE PLAN IS FOR CONCEPTUAL PURPOSES ONLY. ALL BUILDING PLANS REQUIRE REVIEW AND APPROVAL BY DEVELOPMENT SERVICES.
- ALL MECHANICAL UNITS SHALL BE SCREENED FROM PUBLIC VIEW AS REQUIRED BY THE ZONING ORDINANCE
- WHEN PERMITTED, EXPOSED UTILITY BOXES AND CONDUITS SHALL BE PAINTED TO MATCH THE BUILDING
- ALL SIGNAGE AREAS AND LOCATIONS ARE SUBJECT TO APPROVAL BY DEVELOPMENT SERVICES
- ROOF ACCESS SHALL BE PROVIDED INTERNALLY, UNLESS OTHERWISE PERMITTED BY THE CHIEF BUILDING OFFICIAL

MULTI-FAMILY FACADE KEYNOTES

1. BRICK 1
2. BRICK 2
3. METAL CANOPY
4. METAL COPING
5. RAILING
6. VISION GLASS
7. SPANDREL GLASS
8. METAL SCREEN
9. METAL PANEL
10. STUCCO
11. STOREFRONT SYSTEM
12. BRICK 03

GENERAL NOTES

KEY PLAN





1 MULTI-FAMILY HR- OPT 1 - EAST ELEVATION

SCALE: 1/16" = 1'-0"

PROJECT TITLE:

ADDISON CIRCLE STATION LOT 03, BLOCK A

ADDISON,
TEXAS

OWNER/APPLICANT:

AMLI RESIDENTIAL

ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
75001
PH 972-265-6792

STREAM REALTY

ATT. RAMSEY MARCH

2001 ROSS AVE, STE 400

DALLAS, TX 75201

PH 214-267-0477

ISSUE/REVISION LOG

DATE	DESCRIPTION
08-19-22	CONCEPT SITE PLAN
11-21-22	DEVELOPMENT PLAN
12-29-22	DEVELOPMENT PLAN REV.
01-11-23	DEVELOPMENT PLAN REV.

O'BRIEN

1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com

TOWN PROJECT NUMBER:
1874-Z
ADDISON CIRCLE STATION
LOT 3, BLOCK A
1.79 Ac~ GW FISHER SURVEY,
ABSTRACT NO.482
TOWN OF ADDISON, COUNTY
OF DALLAS, STATE OF TEXAS.

DATE	ARCH. PROJ. #
01-11-23	202162

SHEET NO.

A008

FACADE PLAN

EAST ELEVATION

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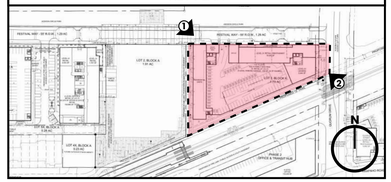


02 MULTIFAMILY HR OPT 1 - PERSPECTIVE



01 MULTIFAMILY HR OPT. 1 - PERSPECTIVE

KEY PLAN



PROJECT TITLE:

ADDISON CIRCLE STATION LOT 03, BLOCK A

ADDISON,
TEXAS

OWNER/APPLICANT:

AMLI RESIDENTIAL

ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
75001
PH 972-265-6792

STREAM REALTY

ATT. RAMSEY MARCH
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OBRIEN

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TOWN OF ADDISON, COUNTY
OF DALLAS, STATE OF TEXAS.

DATE	ARCH. PROJ. #
01-11-23	202162

SHEET NO.

A004

FACADE PLAN

LOT 3, BLOCK A

COPYRIGHT c 2022 OBRIEN THESE DRAWINGS, OR PARTS THEREOF, MAY NOT BE REPRODUCED IN ANY FORM, BY ANY METHOD, FOR ANY PURPOSE, WITHOUT PRIOR WRITTEN CONSENT FROM O'BRIEN

Council Meeting 2023 **15.**

Meeting Date: 02/13/2023

Department: Development Services

AGENDA CAPTION:

Hold a Public Hearing, Present, Discuss, and Consider Action on an **Ordinance Adopting a Development Plan for Lot 1, Block B, Addison Circle Station – Phase I, and the Realignment of Spectrum Drive, Including a Site Plan, Landscape Plan, Facade, and Floor Plans for a Multifamily Residential Building with Ground Floor Retail/Restaurant Uses, and Arapaho Road and Quorum Drive Streetscape Improvements on and Adjacent to a 3.5 Acre Property at the Northeast Corner of Arapaho Road and Quorum Drive, and Bisected by Spectrum Drive.** Case 1875-Z/Multifamily Midrise, Lot 1, Block B, Addison Circle Station Phase I.

BACKGROUND:

The Addison Planning and Zoning Commission, meeting in regular session on January 17, 2023, voted to recommend approval of an Ordinance Adopting a Development Plan for Lot 1, Block B of Addison Circle Station – Phase I, including a Site Plan, Landscape Plan, Façade and Floor Plans for a Multifamily Residential Building with Ground Floor Retail/Restaurant Uses, and Arapaho Road and Quorum Drive Streetscape Improvements on and adjacent to a 3.5 Acre Property at the Northeast Corner of Arapaho Road and Quorum Drive, and bisected by Spectrum Drive, and situated within a proposed Planned Development (PD) District (Case #1860-Z), subject to the following conditions:

- Final public and private landscape and street furnishing design to be completed during civil plan review.
- The final quantity of required retail parking accommodated in the multifamily parking structure is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.
- Building permit approval is subject to compliance with FAA Part 77 review for building height and final confirmation of residential building sites being situated outside of the 65 DNL noise contour.
- Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by the definitive agreements between the Town and Co-Developers.

Voting Aye: Branson, Catalani, Craig, Faircloth, Fansler, Souers, DeFrancisco
Voting Nay: none

Absent: none

SPEAKERS AT THE PUBLIC HEARING:

For: none
On: none
Against: none

Please refer to the staff report for additional details.

RECOMMENDATION:

Administration recommends approval.

Attachments

1875-Z Presentation
1875-Z Ordinance
1875-Z Staff Report
1875-Z Plans
1875-Z Rendering

Multifamily Midrise Development Plan Addison Circle Station – Phase I (1875-Z)

Case 1875-Z Multifamily Midrise

LOCATION:

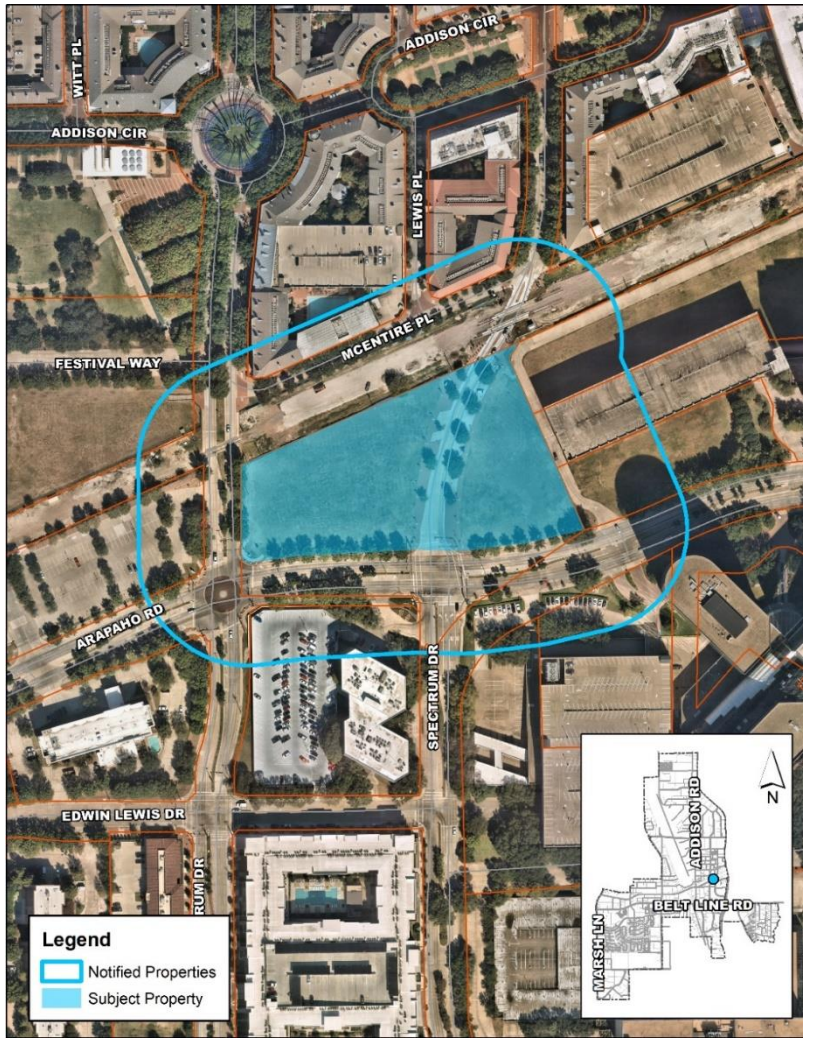
3.5 acres generally located at the northeast corner of Arapaho Road and Quorum Drive, and bisected by Spectrum Drive.

REQUEST:

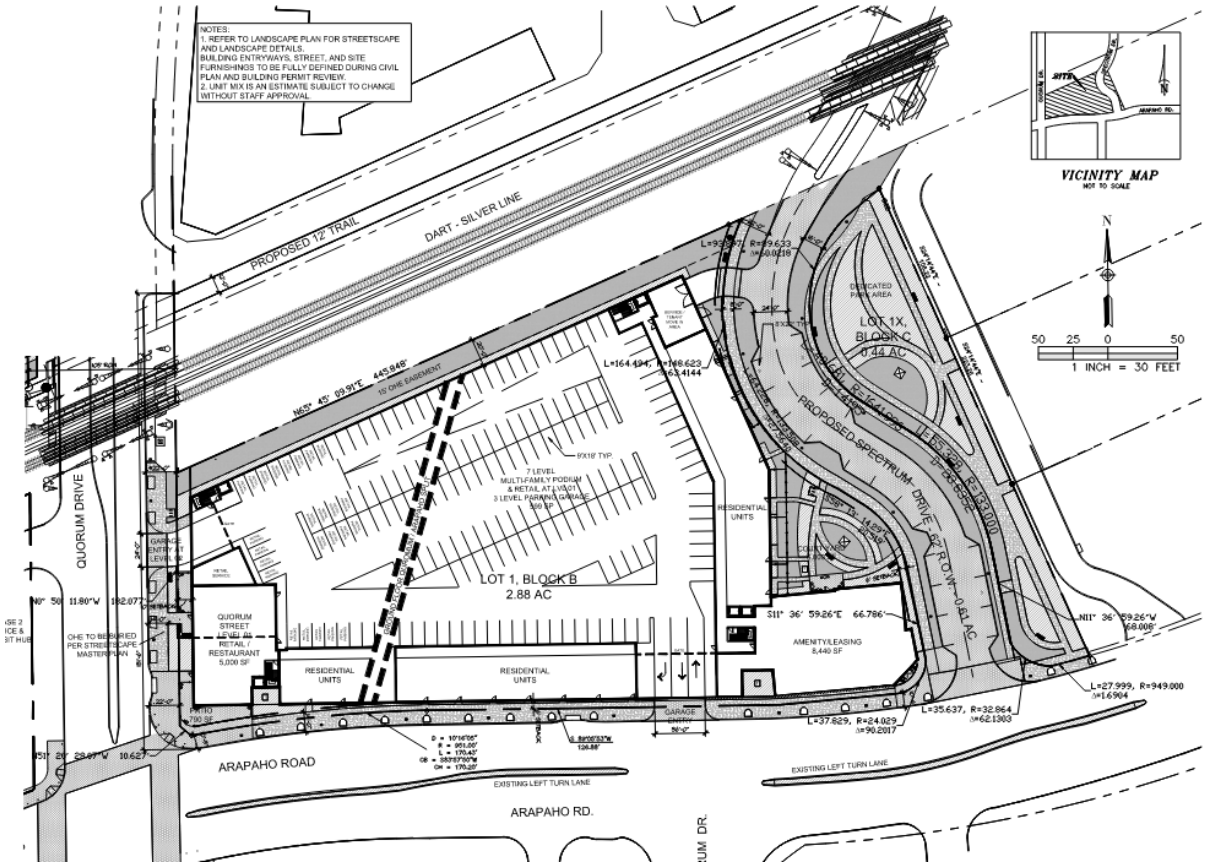
To approve a site plan, landscape plan, facade and floor plans, for the construction of a multifamily residential building with ground floor retail/restaurant uses, the realignment of Spectrum Drive, and Arapaho Road and Quorum Drive streetscape improvements on and adjacent to Lot 1, Block B of Addison Circle Station – Phase I.

ACTION REQUIRED:

Discuss, consider, and take action on the appropriateness of the proposed development plan approval request.



Case 1875-Z Multifamily Midrise



SITE PLAN:

<u>Multifamily Midrise – Lot 1, Block B, 2.9 ac.</u>

- 7 story midrise with 412 dwelling units and 5K SF of retail space and 8.5K SF of leasing/amenity space

- Amenity deck and private open space on 4th floor

- 599 space podium parking structure with 9 on-street parking spaces

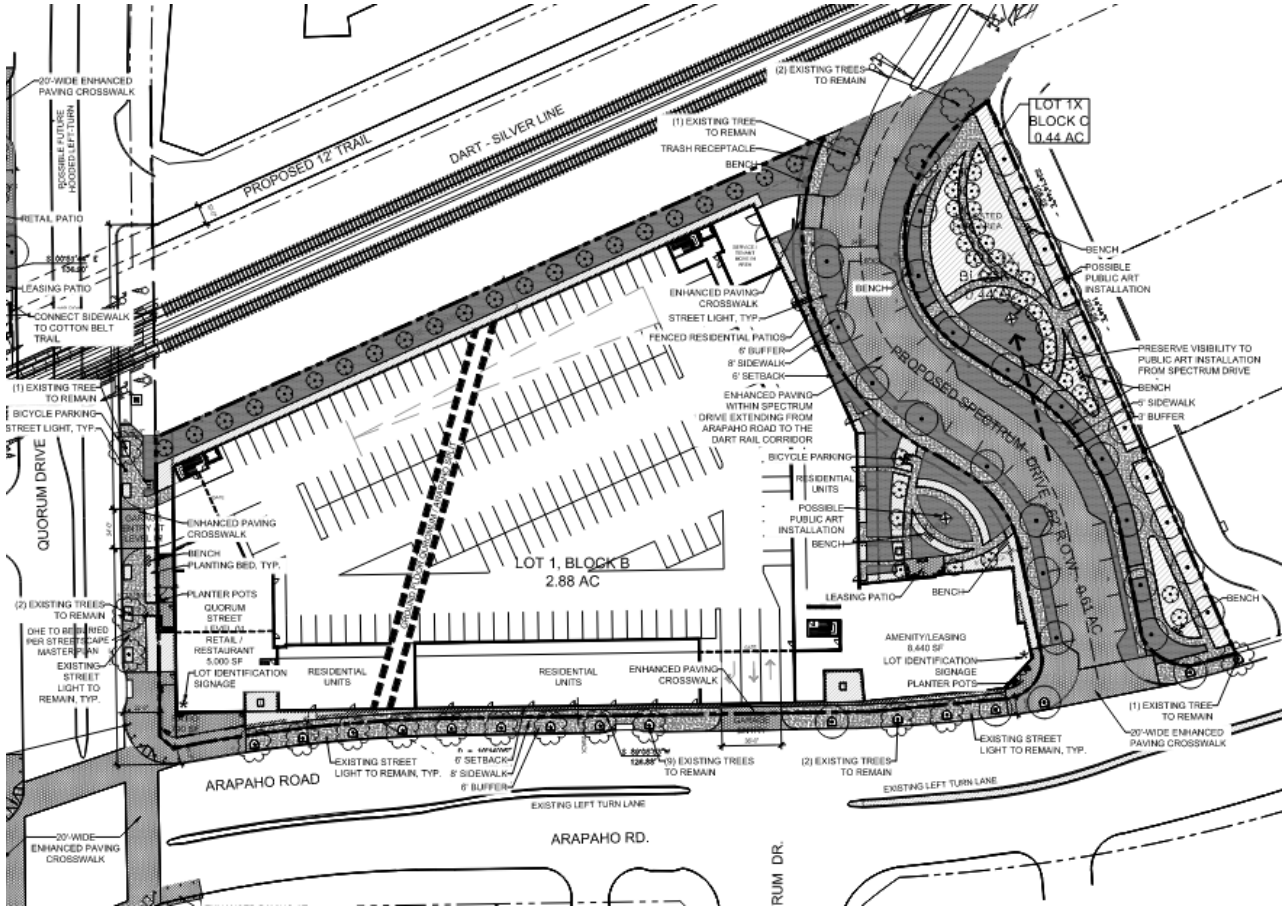
<u>Spectrum Drive Re-alignment (0.6 ac. ROW dedication)</u>

- Shifting segment of Spectrum Drive to the east to accommodate a block pattern more consistent with Addison Circle

<u>Arapaho Road/Quorum Drive Streetscape Improvements</u>

- Enhancing existing treatment of Quorum and Arapaho streetscape

Case 1875-Z Multifamily Midrise



LANDSCAPE PLAN:

Street Trees

- Preservation of existing street trees at Arapaho Road and Quorum Drive frontages, with new tree plantings along the re-aligned Spectrum Drive

Base Landscape

- New planting areas within the street tree planting zone, at the base of the building, and within the private courtyard area

Special Paving Treatments

- Special paving employed at cross walks and other pedestrian zones, throughout the full section of Spectrum Drive

Street Furnishings

- Final design to be completed with civil plan review

Case 1875-Z Multifamily Midrise



FAÇADE PLAN:

Building Materials

- ~ 95 percent masonry, fiber cement, and glazing (81 percent for north façade due to parking structure screen)

Scale

- 7 stories (~ 80 feet in height)

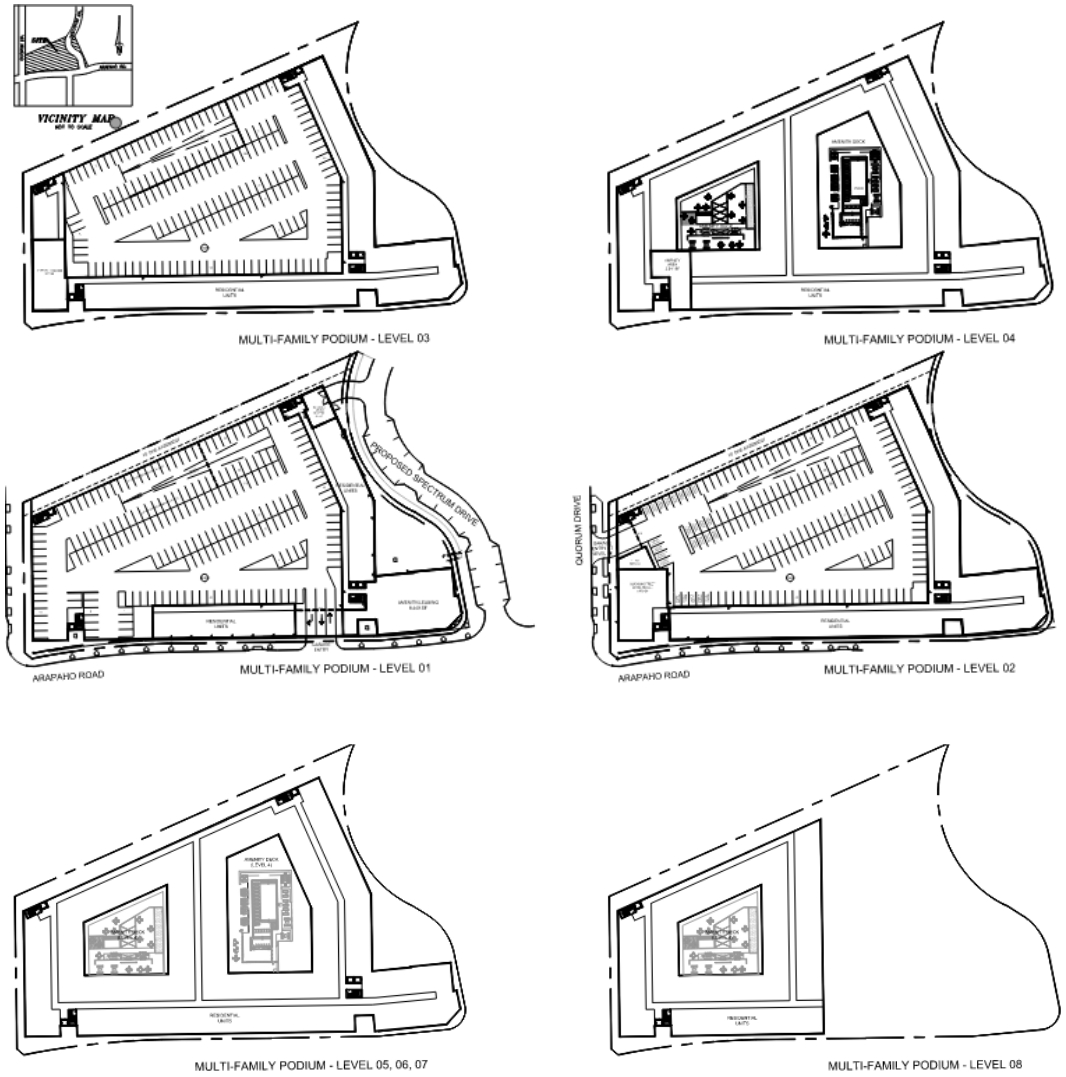
Architectural Treatment

- Strongly defined retail space at the ground floor – tall ceilings, transparent storefronts

- Architectural relief through building stepbacks and recessed balconies, variation of roofline; Activated streetscape with east façade units

- Enhanced screening for parking structure, solid waste

Case 1875-Z Multifamily Midrise



FLOOR PLAN:

Building Floor Area

- 412 dwelling units and 5K SF of retail; MOU requires a minimum of 410 dwelling units

Parking Supply

- Parking supplied exceeds required parking by 46 spaces; Bike parking to be met as well

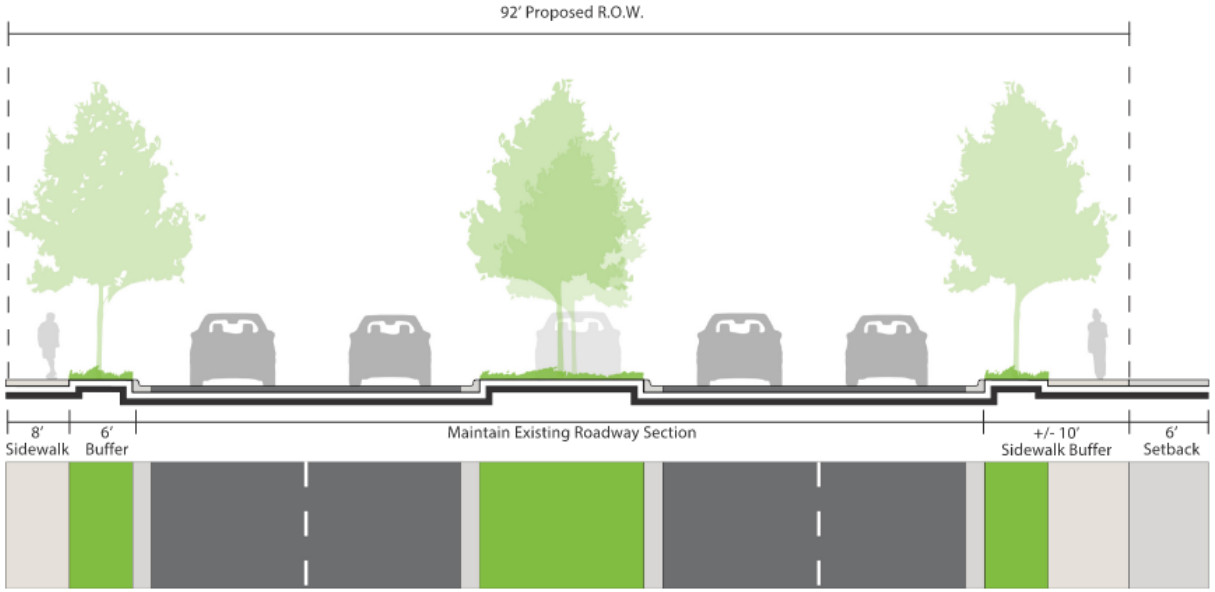
- Final quantity of retail parking subject to a parking study and negotiation of definitive agreements

Case 1875-Z Multifamily Midrise



Spectrum Drive Re-alignment

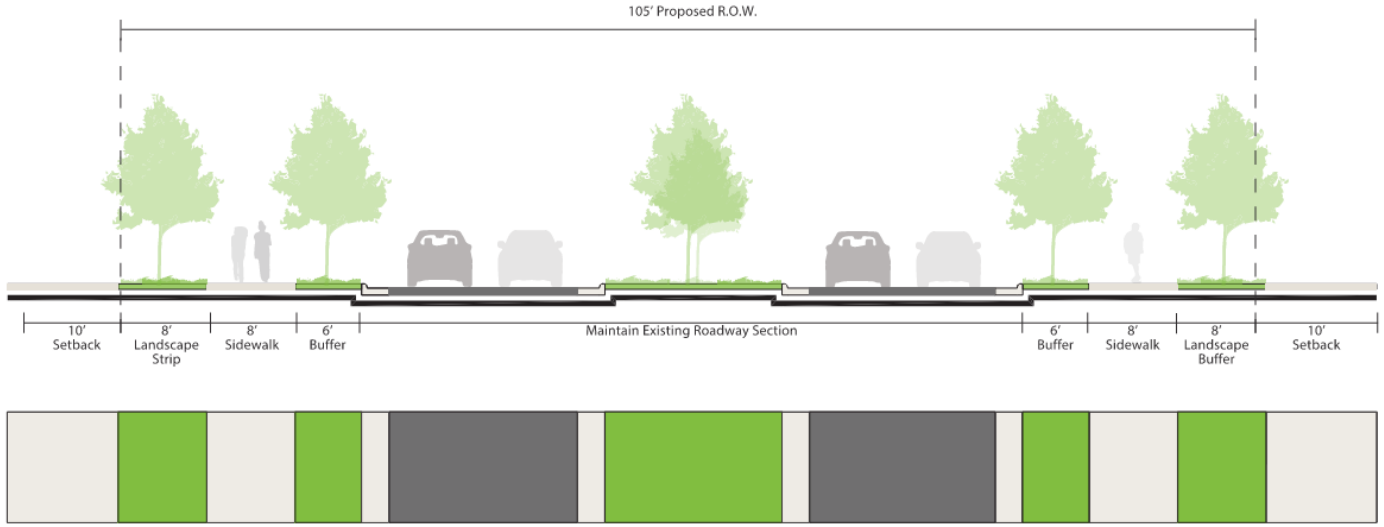
Case 1875-Z Multifamily Midrise





Master Streetscape Plan – Arapaho Road

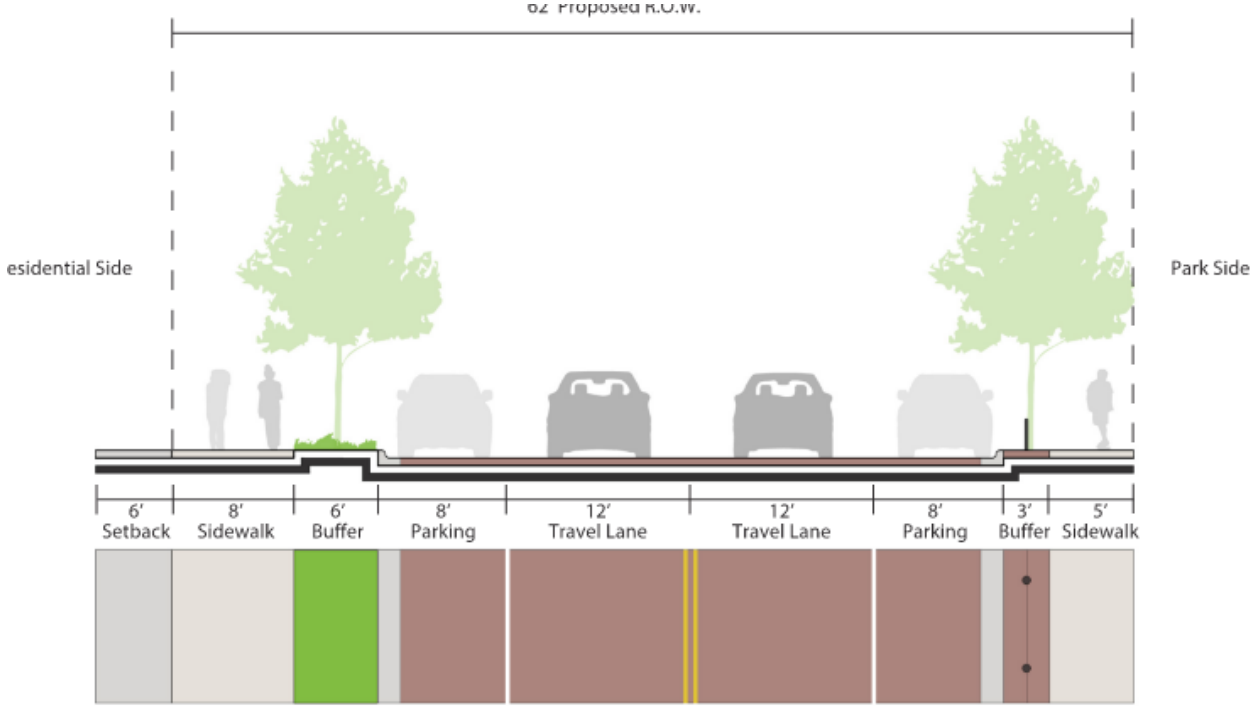
Case 1875-Z Multifamily Midrise





Master Streetscape Plan – Quorum Drive

Case 1875-Z Multifamily Midrise





Master Streetscape Plan – Spectrum Drive

Case 1875-Z Multifamily Midrise



Multifamily Midrise

Case 1875-Z Multifamily Midrise

Streetscape



Case 1875-Z Multifamily Midrise



OTHER ZONING COMPLIANCE CONSIDERATIONS:

Sustainability

- To be negotiated and included in the definitive agreements with the Co-Developers:

  - LEED certification
  - Electric vehicle charging stations

Public Art

- Defined contribution to be negotiated and included in the definitive agreements with the Co-Developers

Case 1875-Z Multifamily Midrise

PUBLIC NOTICE:

Notice of public hearing was provided to property owners within 200 feet of the subject property and DISD in accordance with Town and State law.

NOTICE RECIPIENTS: 11.

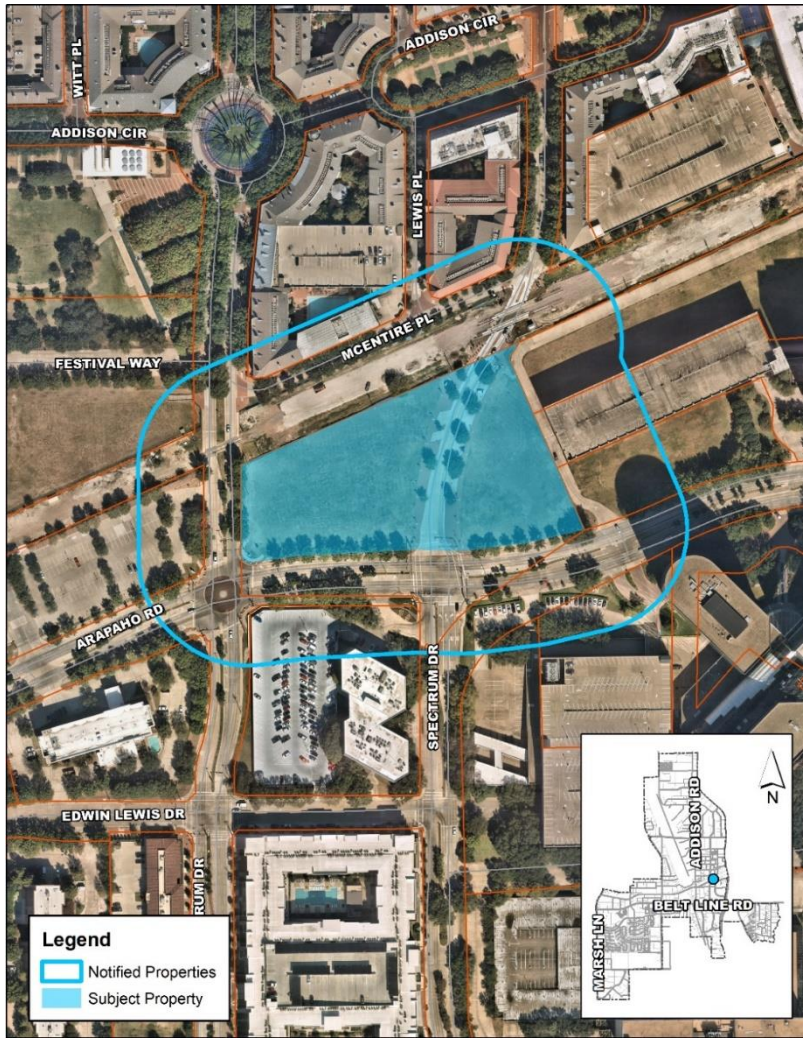
FOR: 0.
AGAINST: 0.
NEUTRAL: 0.

ADDITIONAL FEEDBACK RECEIVED:

N/A.

PLANNING & ZONING COMMISSION ACTION:

Approval: 7-0



Case 1875-Z Multifamily Midrise

RECOMMENDATION:

Staff recommends **approval with conditions:**

- Final public and private landscape and street furnishing design to be completed during civil plan review.
- The final quantity of parking spaces and retail parking accommodations is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.
- Building permit approval is subject to compliance with FAA Part 77 review for building height and final confirmation of residential building site being situated outside of the 65 DNL noise contour.
- Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by the definitive agreements between the Town and Co-Developers.

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS, PROVIDING FOR APPROVAL OF A DEVELOPMENT PLAN ON LOT 1, BLOCK B, ADDISON CIRCLE STATION – PHASE I, PART OF A PLANNED DEVELOPMENT (PD) ZONING DISTRICT (O23-____), AND SITUATED ON 3.5± ACRES GENERALLY LOCATED AT THE NORTHEAST CORNER OF ARAPAHO ROAD AND QUORUM DRIVE, AND BISECTED BY SPECTRUM DRIVE, TO ALLOW FOR THE DEVELOPMENT OF A MULTIFAMILY RESIDENTIAL BUILDING WITH GROUND FLOOR RETAIL/RESTUARANT USES, THE REALIGNMENT OF SPECTRUM DRIVE, AND ARAPAHO ROAD AND QUORUM DRIVE STREETSCAPE IMPROVEMENTS ON AND ADJACENT TO LOT 1, BLOCK B; PROVIDING A PENALTY NOT TO EXCEED TWO THOUSAND AND NO/100 DOLLARS ($2,000.00); PROVIDING FOR SAVINGS, NO SEVERABILITY, AND AN EFFECTIVE DATE.

WHEREAS, at its regular meeting held on January 17, 2023 the Planning & Zoning Commission considered and made recommendations on Case No. 1875-Z, being a request to approve a Development Plan (defined herein below) for Lot 1, Block B, Addison Circle Station – Phase 1, comprising 3.5± acres generally located at the northeast corner of Arapaho Road and Quorum Drive, bisected by Spectrum Drive (the "Subject Property"), to allow for the development of a multifamily residential building with ground floor retail/restaurant uses, the realignment of Spectrum Drive, and Arapaho Road and Quorum Drive streetscape improvements on and adjacent to Lot 1, Block B; and

WHEREAS, Planned Development (PD) District O23-_____ (the "PD Ordinance"), requires approval of the Development Plan (defined herein) prior to the issuance of a building permit for the Subject Property, requires Development Plan approval prior to the issuance of a building permit; 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 approval of this Development Plan 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. The Subject Property shall be improved in accordance with the Development Plan, which is comprised of a site plan, landscape plan, façade and floor plans (the "Development Plan"), which is attached hereto as **Exhibit A** and made a part hereof for all purposes, subject to the following conditions:

A. Final public and private landscape and streetscape design shall be completed prior to the issuance of a permit for the construction of site infrastructure.

B. The final quantity of required retail parking accommodated in the multifamily parking structure will be determined subject to and following completion of a parking study and as provided in the Definitive Agreements.

C. Developer shall provide the Town evidence of compliance with FAA Part 77 building height review and final confirmation of residential building sites being situated outside of the 65 DNL noise contour prior to issuance of a building permit for the Subject Property.

D. Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be required components of the Project, which will be further defined in the Definitive Agreements (as defined in the PD Ordinance).

SECTION 3. 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, Section 1-7 of the Code of Ordinances for the Town of Addison.

SECTION 4. The provisions of this Ordinance are severable, and should any section, subsection, paragraph, sentence, phrase or word of this Ordinance, or application thereof to any person, firm, corporation or other business entity or any circumstance, be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of the remaining or other parts or portions of this Ordinance, and the City Council hereby declares that it would have passed such remaining parts or portions of this Ordinance despite such unconstitutionality, illegality, or invalidity, which remaining portions shall remain in full force and effect.

SECTION 5. 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. 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.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas, on this the ***13TH*** day of **FEBRUARY** ***2023*.**

TOWN OF ADDISON, TEXAS

_____

Joe Chow, Mayor

ATTEST:

Irma Parker, City Secretary

APPROVED AS TO FORM:

Whitt Wyatt, City Attorney

Exhibit A

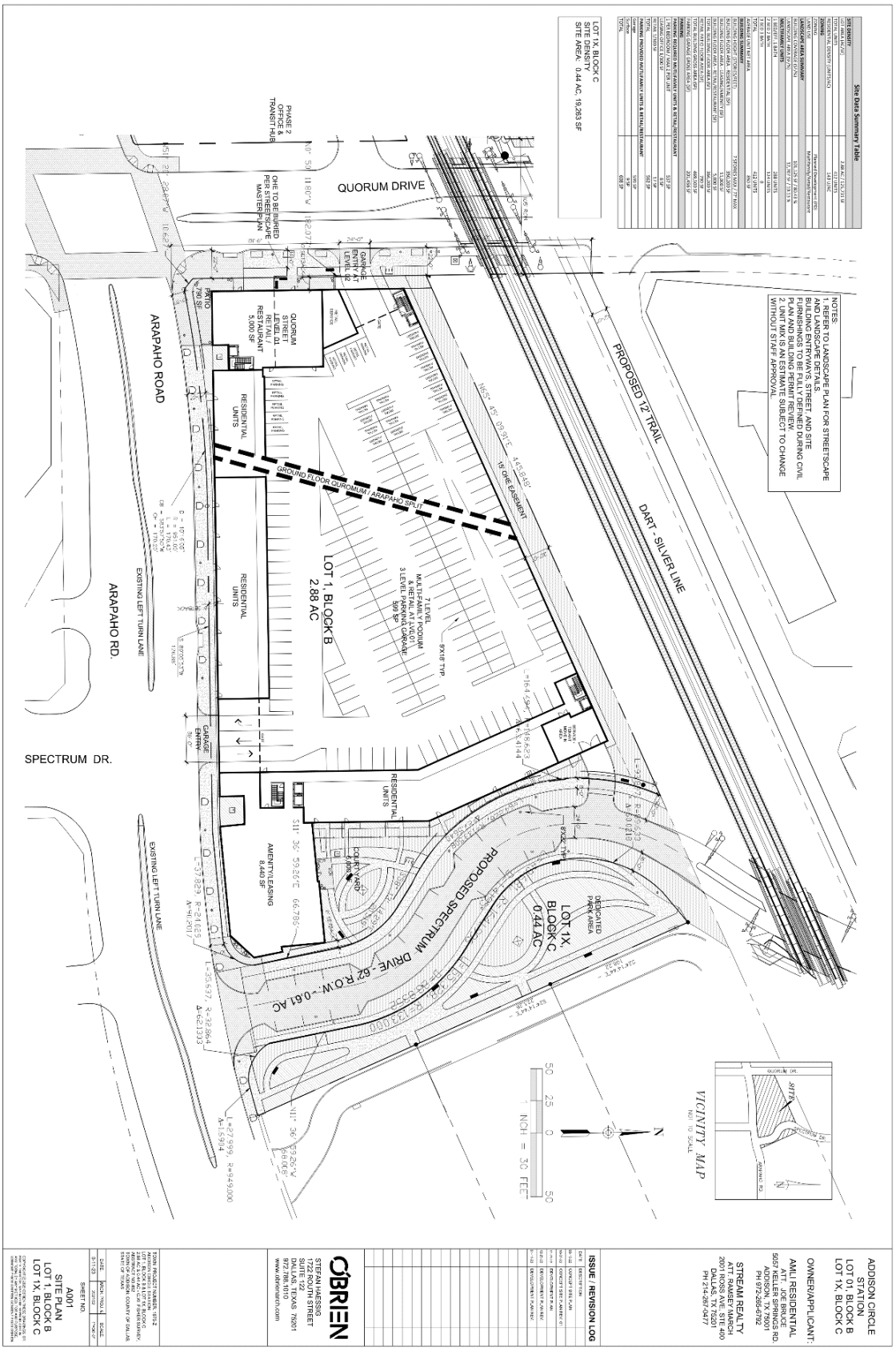

ADDISON CIRCLE STATION
LOT 01, BLOCK B
LOT 1X, BLOCK C
OWNER/APPLICANT:
AMLI RESIDENTIAL
ATT: JOE BRUCE
9807 KELLER SPRINGS RD.
ADDISON, TX 75001
PH 972-385-4792
STREAM REALTY
ATT: RAMSEY MARCH
2001 ROSS AVE., STE 4400
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O'BRIEN
STEFAN HAESSIG
717 NORTH HARWOOD STREET
SUITE 1221
DALLAS, TEXAS 76201
972.788.1010
www.obrienatlantic.com
A001
SITE PLAN
LOT 1, BLOCK B
LOT 1X, BLOCK C
Site Data Summary Table
LOT 1X, BLOCK C
SITE DENSITY
SITE AREA: 0.44 AC., 19,263 SF
NOTES:
1. REFER TO LANDSCAPE PLAN FOR STREETSCAPE AND LANDSCAPE DETAILS.
BUILDING ENTRYWAYS, STREET, AND SITE FURNISHINGS TO BE FULLY DEFINED DURING CIVIL PLAN AND BUILDING PERMIT REVIEW.
2. UNIT MIX IS AN ESTIMATE SUBJECT TO CHANGE WITHOUT STAFF APPROVAL
QUORUM DRIVE
PROPOSED 12' TRAIL
DART - SILVER LINE
ARAPAHO ROAD
ARAPAHO RD.
SPECTRUM DR.
PHASE 2 OFFICE & TRANSIT HUB
CVE TO BE REMOVED PER STREETSCAPE MASTERPLAN
GARAGE ENTRY LEVEL 02
PATIO 760 SF
QUORUM STREET LEVEL RETAIL / RESTAURANT 5,000 SF
RESIDENTIAL UNITS
GROUND FLOOR QUORUM / ARAPAHO SPLIT
LOT 1, BLOCK B 2.88 AC
7 LEVEL MULTI-FAMILY PODIUM WITH 4 LEVEL PARKING GARAGE 569 SP
9X18' TYP
GARAGE ENTRY
AMENITY/LEASING 8,440 SF
COURTYARD 2,800 SF
PROPOSED SPECTRUM DRIVE - 62' R.O.W. - 0.61 AC
DEDICATED PARK AREA
LOT 1X, BLOCK C 0.44 AC
EXISTING LEFT TURN LANE
IS DRE EASEMENT
VICINITY MAP
NOT TO SCALE
1 INCH = 30 FEET

Exhibit A

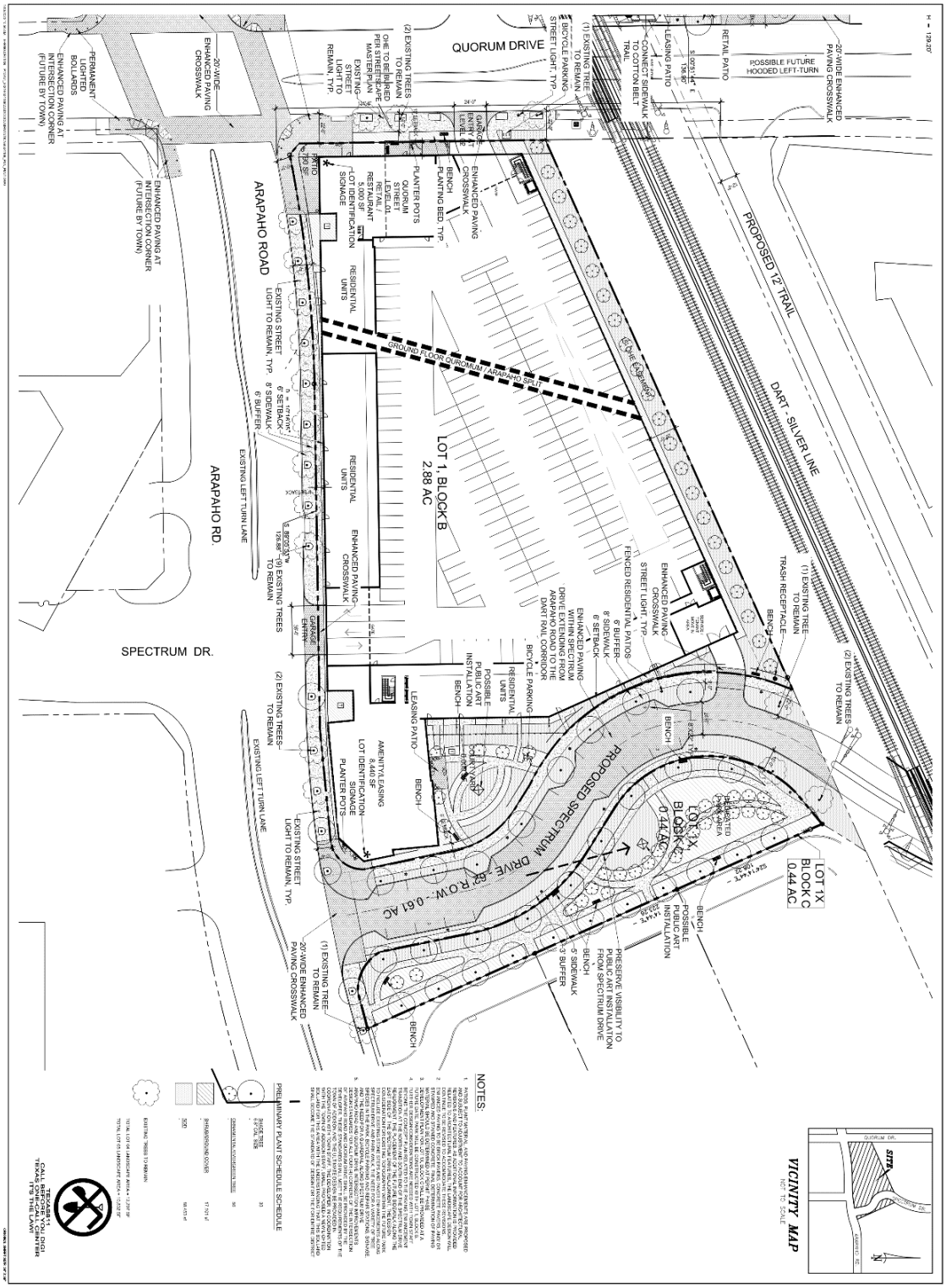

QUORUM DRIVE
PROPOSED 12' TRAIL
DART - SILVER LINE
ARAPAHO ROAD
ARAPAHO RD.
SPECTRUM DR.
LOT 1, BLOCK B
2.88 AC
LOT 1X
BLOCK C
0.44 AC
PROPOSED SPECTRUM DRIVE 62' R.O.W. - 0.61 AC
RETAIL PATIO
LEASING PATIO
POSSIBLE FUTURE HOODED LEFT-TURN
20'-WIDE ENHANCED PAVING CROSSWALK
CONNECT SIDEWALK TO COTTON BELT TRAIL
(1) EXISTING TREE TO REMAIN
BICYCLE PARKING
STREET LIGHT, TYP.
(2) EXISTING TREES TO REMAIN
DRIVE TO BE REMOVED PER MASTER PLAN
EXISTING STREET LIGHT TO REMAIN, TYP.
PERMANENT LIGHTED BOLLARDS
ENHANCED PAVING AT INTERSECTION CORNER (FUTURE BY TOWN)
PATIO
RESTAURANT 5,000 SF
LOT IDENTIFICATION SIGNAGE
PLANTER POTS
QUORUM STREET RETAIL
BENCH
PLANTING BED, TYP.
GARAGE LEVEL 1
RESIDENTIAL UNITS
GROUND FLOOR QUROUM/ ARAPAHO SPLIT
ENHANCED PAVING CROSSWALK
6' SETBACK
8' SIDEWALK
6' BUFFER
EXISTING LEFT TURN LANE
(6) EXISTING TREES TO REMAIN
(2) EXISTING TREES TO REMAIN
AMENITY/LEASING 8,440 SF
LOT IDENTIFICATION SIGNAGE
PLANTER POTS
POSSIBLE PUBLIC ART INSTALLATION
BICYCLE PARKING
ENHANCED PAVING WITHIN SPECTRUM DRIVE EXTENDING FROM ARAPAHO ROAD TO THE DART TRAIL CORRIDOR
FENCED RESIDENTIAL PATIOS
6' BUFFER
8' SIDEWALK
6' SETBACK
STREET LIGHT, TYP.
TRASH RECEPTACLE
(1) EXISTING TREE TO REMAIN
(2) EXISTING TREES TO REMAIN
RELOCATED BUS SHELTER AREA
PRESERVE VISIBILITY TO PUBLIC ART INSTALLATION FROM SPECTRUM DRIVE
5' BUFFER
5' SIDEWALK
(1) EXISTING TREE TO REMAIN
20'-WIDE ENHANCED PAVING CROSSWALK
VICINITY MAP
NOTES:
PRELIMINARY PLANT SCHEDULE SCHEDULE
LandDesign
ADDISON CIRCLE STATION PHASE I
ADDISON, TX
C. Heth Kendrick
PRELIMINARY
FOR REVIEW PURPOSES ONLY
NOT FOR CONSTRUCTION, BIDDING, PERMITTING OR RECORDING
REVISION / ISSUANCE
LOT 01, BLOCK B & C
LANDSCAPE PLAN
L6-40

Exhibit A

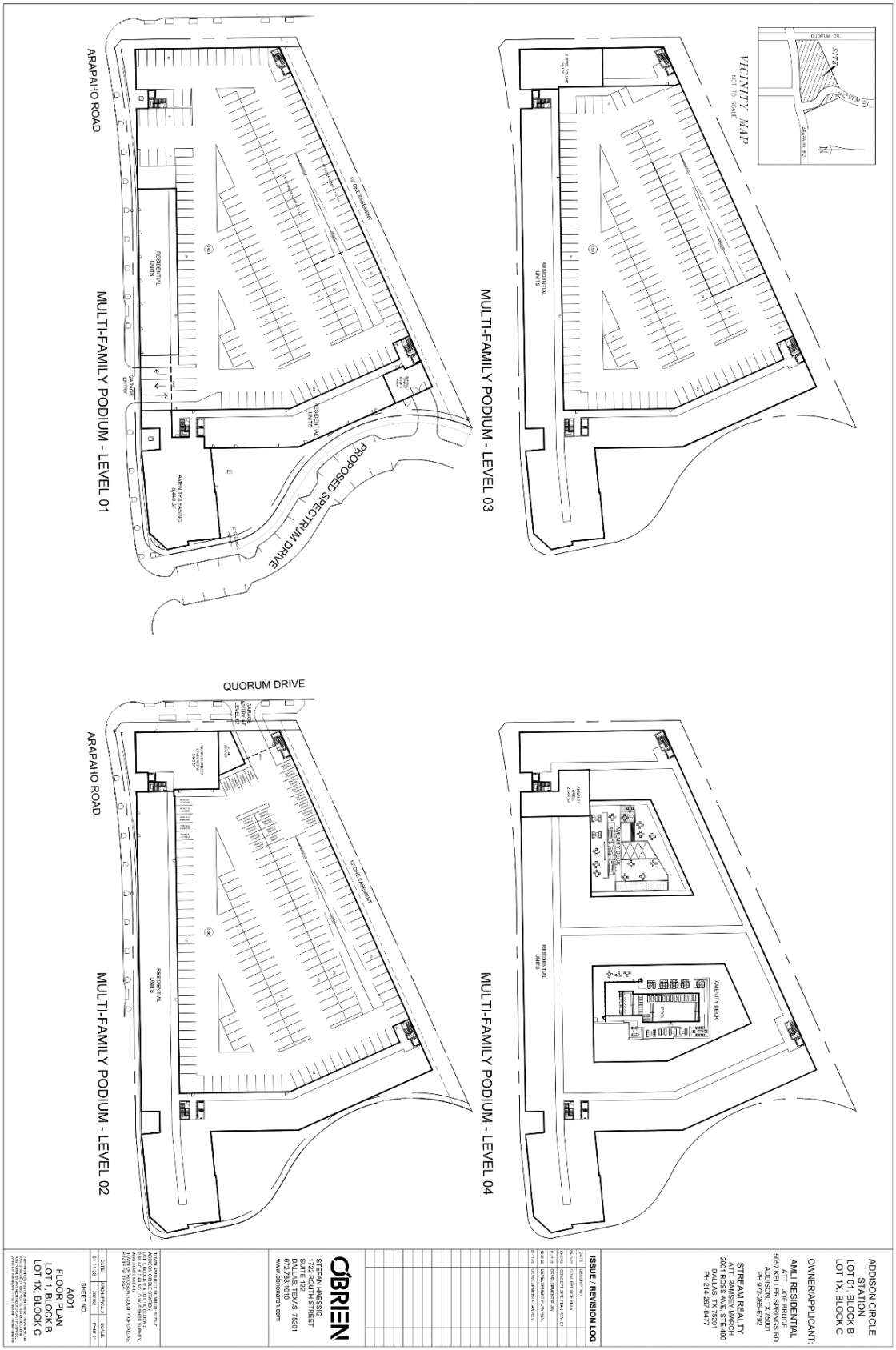

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LOT 1X, BLOCK C
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ADDISON, TX 75001
PH 972-364-9792
STREAM REALTY
ATT: RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-397-0477
ISSUE / REVISION LOG
VICINITY MAP
NOT TO SCALE
QUORUM DR.
SITE
ARAPAHO RD.
MULTI-FAMILY PODIUM - LEVEL 03
MULTI-FAMILY PODIUM - LEVEL 01
ARAPAHO ROAD
PROPOSED SPECTRUM DRIVE
QUORUM DRIVE
MULTI-FAMILY PODIUM - LEVEL 04
MULTI-FAMILY PODIUM - LEVEL 02
O'BRIEN
STEFAN HAESSIG
717 N. HARWOOD STREET
SUITE 1122
DALLAS, TEXAS 75201
972.788.1010
www.obrienatlantic.com
A001
FLOOR PLAN
LOT 1, BLOCK B
LOT 1X, BLOCK C

Exhibit A

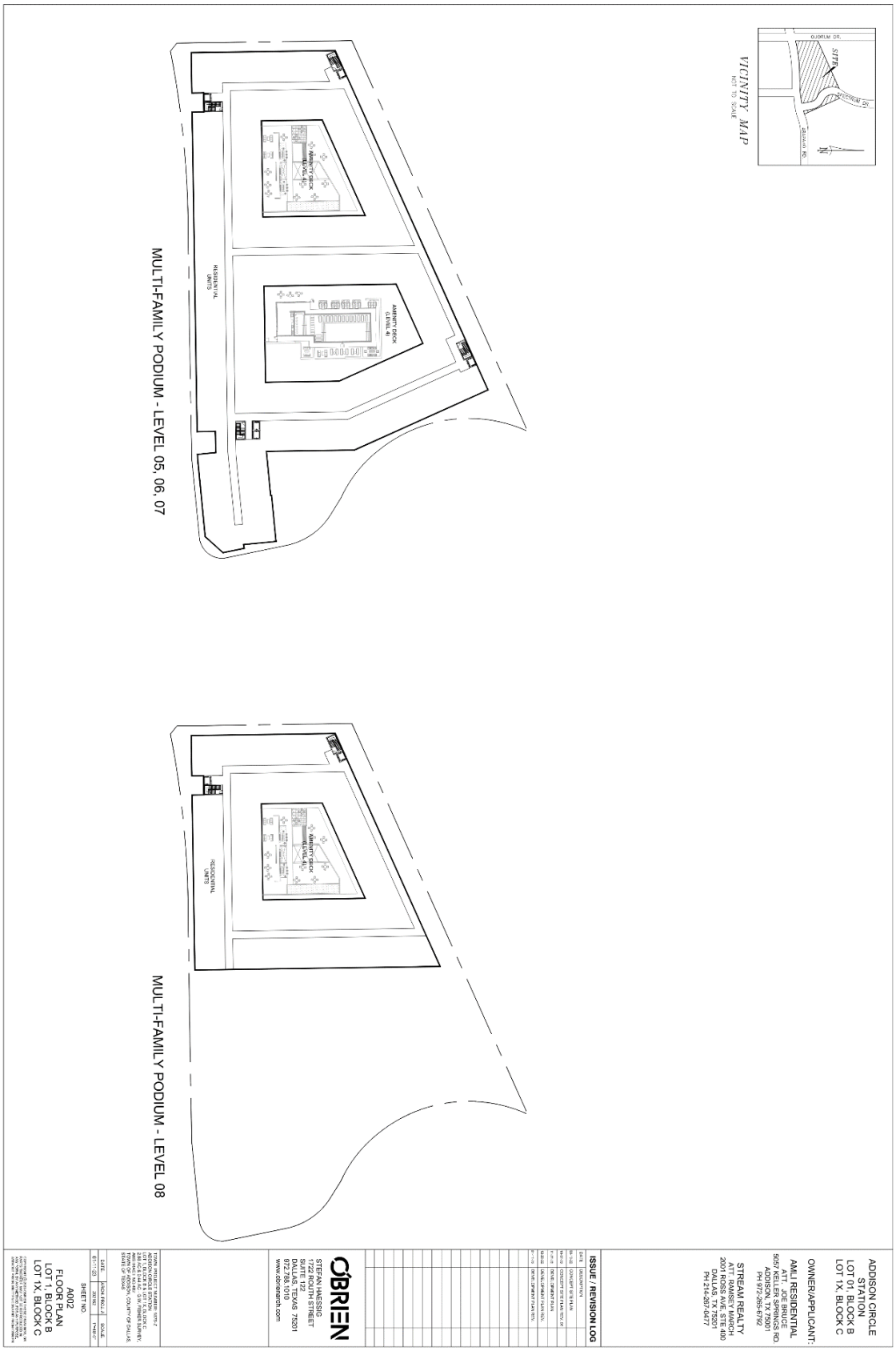

VICINITY MAP
NOT TO SCALE
GLORIUM DR.
SITE
ADDISON CIR.
BELT LINE RD.
MULTI-FAMILY PODIUM - LEVEL 05, 06, 07
RESIDENTIAL UNITS
AMENITY DECK (LEVEL 4)
MULTI-FAMILY PODIUM - LEVEL 08
RESIDENTIAL UNITS
AMENITY DECK (LEVEL 4)
ADDISON CIRCLE STATION
LOT 01 BLOCK B
LOT 1X, BLOCK C
OWNER/APPLICANT:
AMLI RESIDENTIAL
ATT: JOE BRUCE
5057 KELLER SPRINGS RD
ADDISON, TX 75001
PH 972-265-6792
STREAM REALTY
ATT: RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-397-0477
ISSUE / REVISION LOG
O'BRIEN
STEFAN HAESSIG
717 SOUTH AKARD STREET
SUITE 122
DALLAS, TEXAS 75201
972.786.1010
www.obrienatx.com
TOWN / PROJECT NUMBER / VERS.
ADDISON CIRCLE STATION
LOT 1 BLOCK B, LOT 1X BLOCK C
288 AC & 1.44 AC - SVN / TIBBES SURVEY
TOWN OF ADDISON, COUNTY OF DALLAS
STATE OF TEXAS
DATE
8" = 1'-0"
BOOK / ROLL /
ZB760
SCALE
1"=40'-0"
SHEET NO.
A002
FLOOR PLAN
LOT 1, BLOCK B
LOT 1X, BLOCK C

Exhibit A

Site Data Summary Table
SITE DENSITY
TOTAL UNITS
TOTAL ACRES
DENSITY
ZONING
LANDSCAPE AREA SUMMARY
GROSS LANDSCAPE AREA (SF)
GROSS LANDSCAPE AREA (SF/%)
MULTI-FAMILY UNITS
STUDIO UNITS
1 BED UNITS
2 BED UNITS
TOTAL
AVERAGE UNIT SIZE / AREA
BUILDING HEIGHT (STORIES/FEET)
BUILDING FLOOR AREA - RESIDENTIAL (SF)
BUILDING FLOOR AREA - RETAIL/RESTAURANT (SF)
BUILDING FLOOR AREA (SF)
RETAIL FLOOR AREA (SF)
PARKING GARAGE GROSS AREA (SF)
PARKING
1.5 PER BEDROOM / MAX 2 PER UNIT
RETAIL 1/300 SF
TOTAL
PROVIDED WITH GARAGE UNITS & RETAIL/RESTAURANT
GARAGE
SURFACE
TOTAL
UNIT A5.B
33' x 32'
Net: 959 S.F.
SCALE: 1/8" = 1'-0"
UNIT A5.A
30' x 32'
Net: 900 S.F.
SCALE: 1/8" = 1'-0"
UNIT A4.A
27' x 32'
Net: 818 S.F.
SCALE: 1/8" = 1'-0"
UNIT A3a
24' x 32'
Net: 708 S.F.
SCALE: 1/8" = 1'-0"
UNIT A2
21' X 32'
Net: 627 S.F.
SCALE: 1/8" = 1'-0"
UNIT C9.A
43' x 37'
Net: 1433 S.F.
SCALE: 1/8" = 1'-0"
UNIT C6.A
42' x 32'
Net: 1285 S.F
SCALE: 1/8" = 1'-0"
UNIT C5.B
39' x 32'
Net: 1184 S.F.
SCALE: 1/8" = 1'-0"
PROJECT TITLE:
ADDISON
CIRCLE STATION
Lot 1, Block B
Lot 1X, Block C
ADDISON,
TEXAS
OWNER/APPLICANT:
AMLI RESIDENTIAL
ATTN: JOE BRUCE
8357 KEITER SPRINGS RD.
STE 250 -ADDISON, TEXAS
75001
PH: 972-205-8792
STREAM REALTY
ATT: RAMSEY MARCH
2200 ROSS AVE, STE 400
DALLAS, TX 75201
PH: 214- 287- 0477
ISSUE/REVISION LOG
DATE
DESCRIPTION
09-19-20
CONCEPT SITE PLAN
O'BRIEN
1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com
TOWN PROJECT NUMBER: 1875-Z
ADDISON CIRCLE STATION
LOT 1, BLOCK B & LOT 1X, BLOCK C
2.86 AC & 0.44 AC G.W. FISHER
SURVEY, ABSTRACT NO. 482
TOWN OF ADDISON, COUNTY OF
DALLAS, STATE OF TEXAS
DATE
ARCH. REG. #
09-19-20
23282
SHEET NO.
A003
UNIT PLAN
1ST FL. BLOCK B &
1ST FL. BLOCK C
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ANY MATTER WHATSOEVER WITHOUT
PRIOR WRITTEN CONSENT
FROM O'BRIEN

Exhibit A

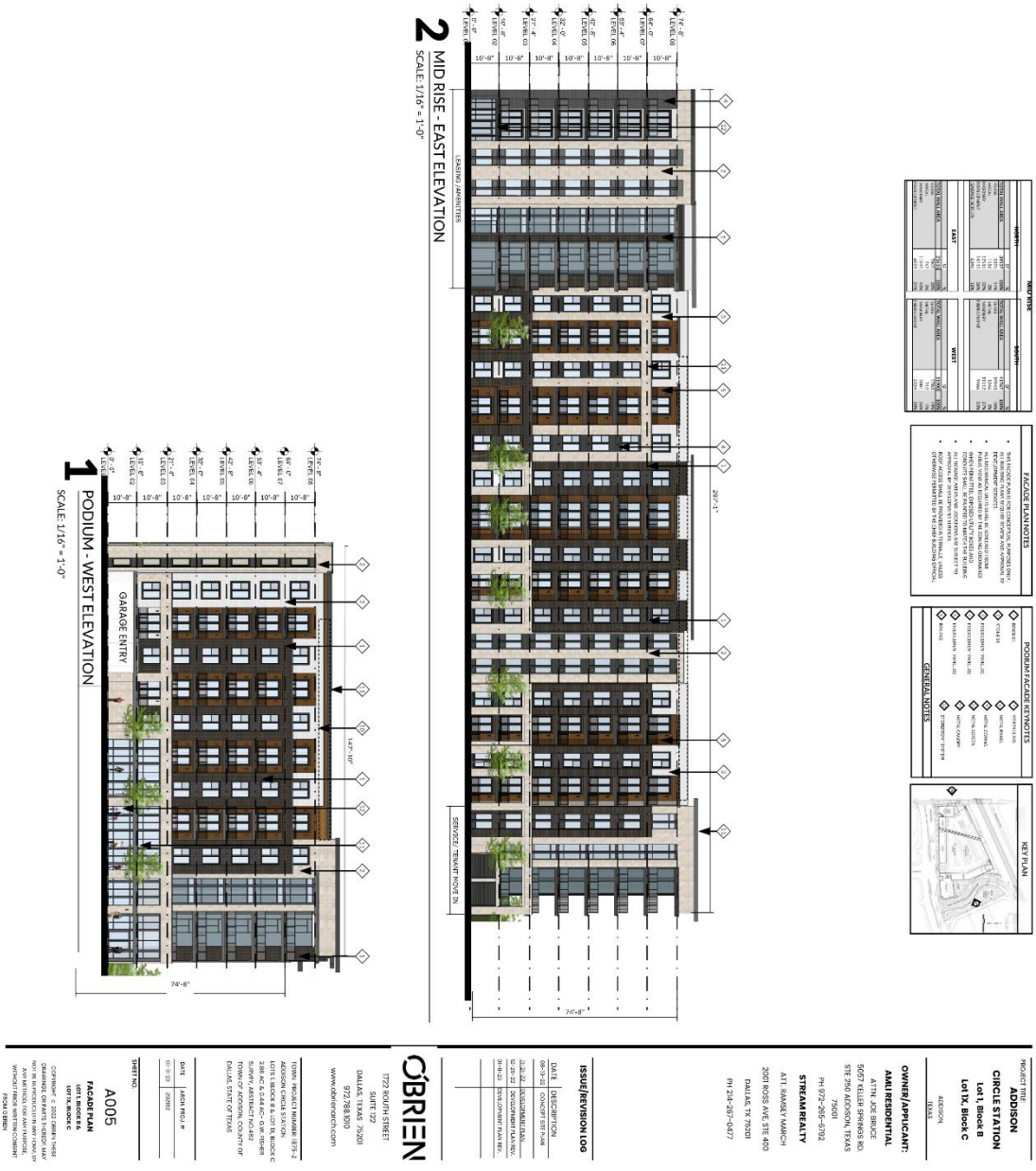
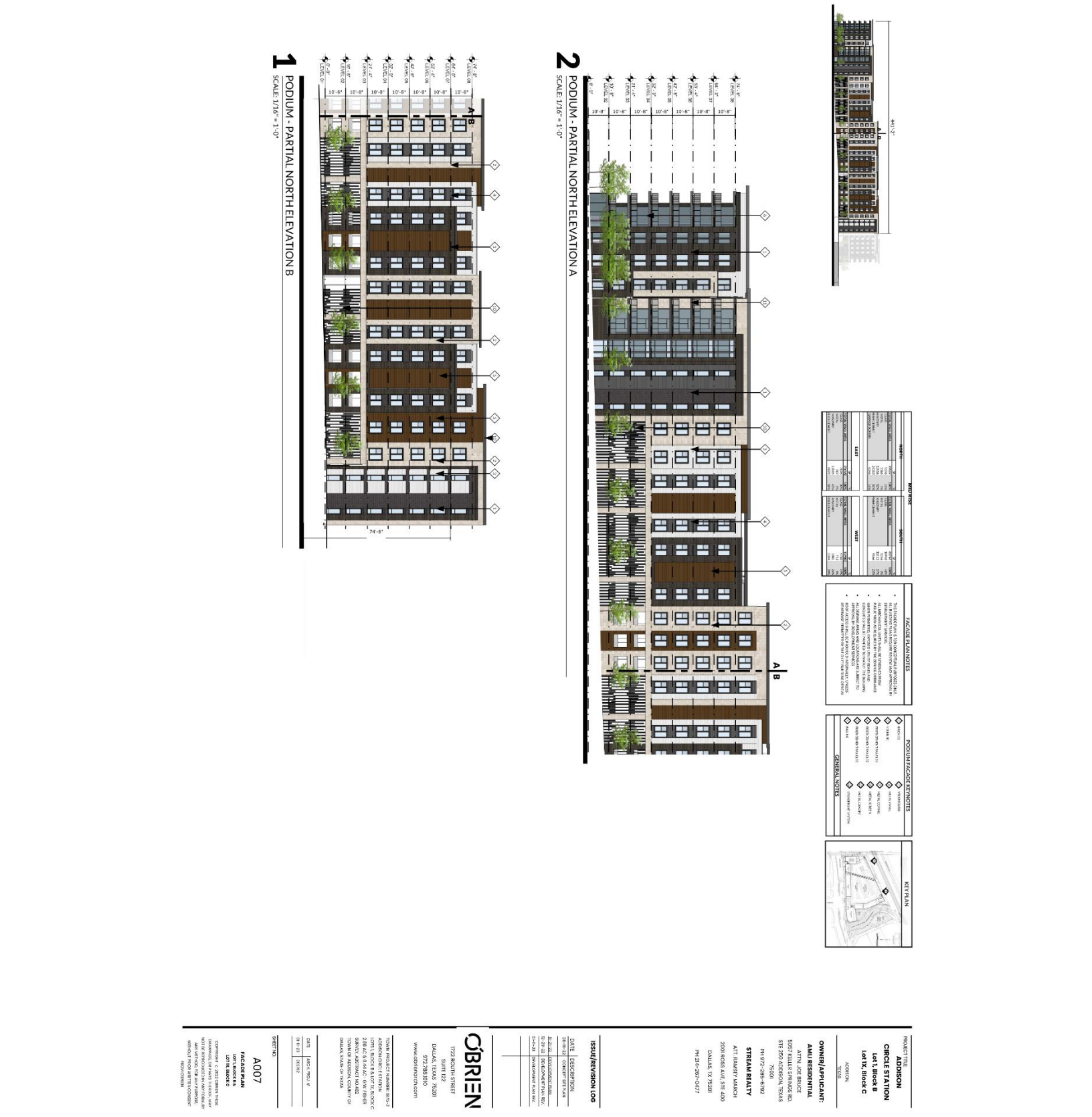

2 MID RISE - EAST ELEVATION
SCALE: 1/16" = 1'-0"
1 PODIUM - WEST ELEVATION
SCALE: 1/16" = 1'-0"
GARAGE ENTRY
LEASING/ AMENITIES
SERVICE/ TENANT MOVE IN
74'-8"
147'-10"
29'-1"
KEY PLAN
GENERAL NOTES
FACADE PLAN NOTES
PODIUM FACADE KEYNOTES
CIRCLE STATION
Lot I, Block B
Lot IX, Block C
ADDISON
TEXAS
OWNER/APPLICANT:
AMLI RESIDENTIAL
ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
75001
PH: 972-265-0702
STREAM REALTY
ATT: RAMSEY MARCH
2001 ROSS AVE. STE 400
DALLAS, TX 75201
PH: 214-267-0477
O'BRIEN
1722 SOUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com
ISSUE/REVISION LOG
DATE | DESCRIPTION
09-7-22 | CONCEPT SITE PLAN
11-21-22 | DEVELOPMENT PLAN SU...
12-20-22 | DEVELOPMENT PLAN SU...
03-10-23 | DEVELOPMENT PLAN SU...
TOWN: PROJECT NUMBER: 1875-Z
ADDISON CIRCLE STATION
LOTS I, BLOCK B & LOT IX, BLOCK C
JOHN FLINN SURVEY, ABSTRACT NO.452
TOWN OF ADDISON, COUNTY OF
DALLAS, STATE OF TEXAS
DATE | PATH / FILE #
03-10-23 | 20282
SHEET NO.
A005
FACADE PLAN
LOT I, BLOCK B
LOT IX, BLOCK C
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Exhibit A

2 MID RISE - PARTIAL SOUTH ELEVATION A
SCALE: 1/16" = 1'-0"
1 MID RISE - PARTIAL SOUTH ELEVATION B
SCALE: 1/16" = 1'-0"
GARAGE ENTRY
LEASING AMENITY
FACADE PLAN NOTES
PODIUM FACADE KEYNOTES
GENERAL NOTES
KEY PLAN
ISSUE/REVISION LOG
CONCEPT SITE PLAN
DEVELOPMENT PLAN REV.
DEVELOPMENT PLAN REV.
PROJECT TITLE
ADDISON
CIRCLE STATION
Lot 1, Block B
Lot 1X, Block C
ADDISON,
TEXAS
OWNER/APPLICANT:
AMLI RESIDENTIAL
ATTN: JOE BRUCE
8007 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
75001
PH: 972-265-5792
STREAM REALTY
ATT: RAMSEY MARCH
2201 ROSS AVE. STE 4100
DALLAS, TX 75201
PH: 214-207-0477
O'BRIEN
1722 SOUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com
A006
FACADE PLAN
LOT 1, BLOCK B &
LOT 1X, BLOCK C

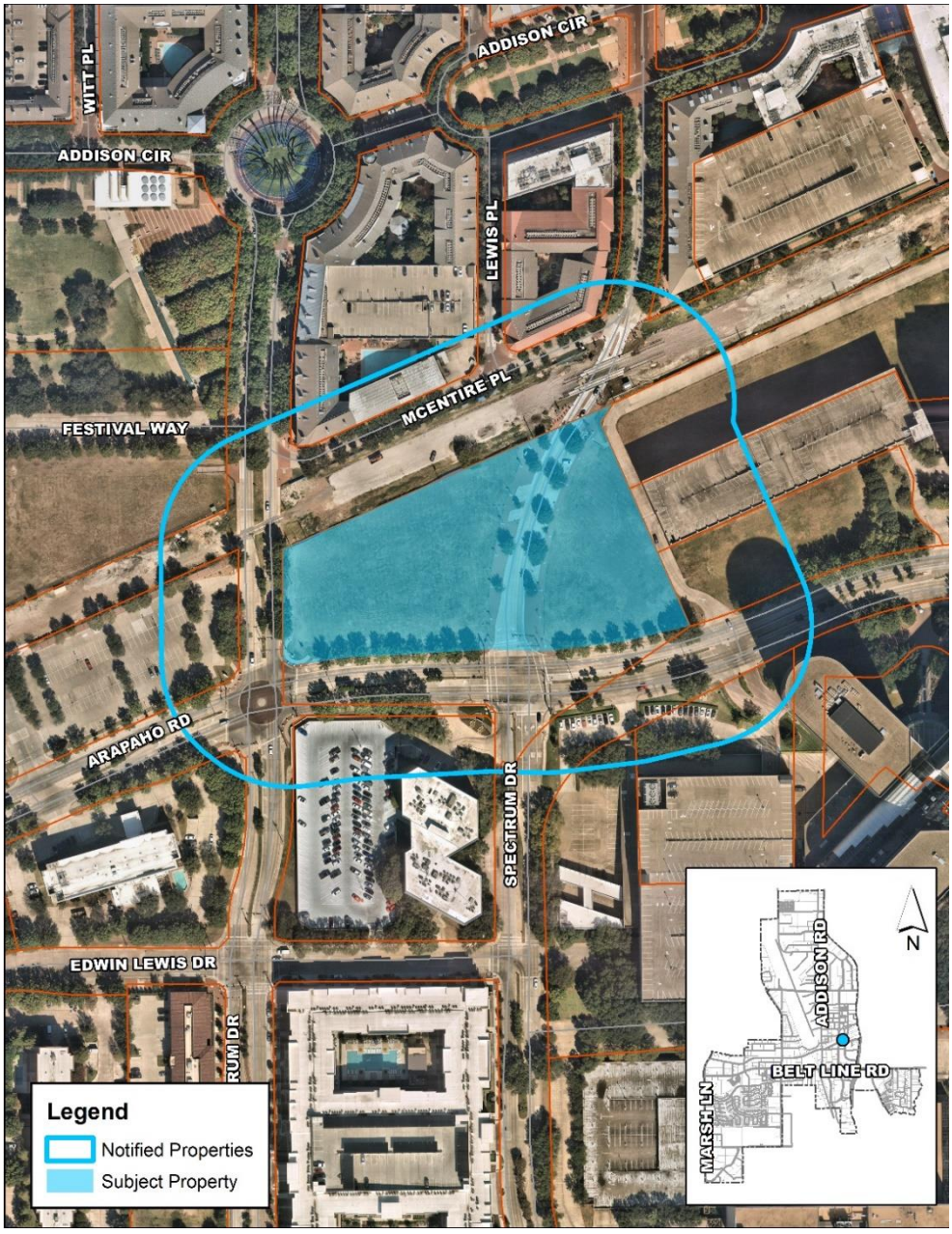
Exhibit A


PROJECT TITLE
ADDISON
CIRCLE STATION
Lot 1, Block B
Lot 1X, Block C
ADDISON,
TEXAS
OWNER/APPLICANT:
AMLI RESIDENTIAL
ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
75001
PH: 972-385-6792
STREAM REALTY
ATT: RAMEY MARCH
2000 ROSS AVE, STE 400
DALLAS, TX 75201
PH: 214-207-0477
O'BRIEN
1722 ROUTH STREET
SUITE 622
DALLAS, TEXAS 75201
972.788.1010
www.obrienatch.com
TOWN PROJECT NUMBER: 1875-Z
ADDISON CIRCLE STATION
LOTS 1, BLOCK B & LOT 1X, BLOCK C
ZONING CASE NO. 1875-Z
SURVEY: ABSTRACT 1414, 82
TOWN OF ADDISON, COUNTY OF
DALLAS, STATE OF TEXAS
DATE
SCALE: 1/16" = 1'-0"
DRAWN BY: JD/SW
CHECKED BY: JD/SW
SHEET NO:
A007
FACADE PLAN
LOT 1, BLOCK B
LOT 1X, BLOCK C
ISSUE/REVISION LOG
DATE
DESCRIPTION
09-16-22
CONCEPT SITE PLAN
11-10-22
DEVELOPMENT PLAN REV.
01-19-23
DEVELOPMENT PLAN REV.
01-24-23
DEVELOPMENT PLAN REV.
FACADE PLAN NOTES
PODIUM FACADE KEYNOTES
GENERAL NOTES
KEY PLAN
441'-2"
RIGHT-FIST
EAST
WEST
1 PODIUM - PARTIAL NORTH ELEVATION B
SCALE: 1/16" = 1'-0"
2 PODIUM - PARTIAL NORTH ELEVATION A
SCALE: 1/16" = 1'-0"
A
B
74'-6"

1875-Z

PUBLIC HEARING Case 1875-Z/Multifamily Midrise, Lot 1, Block B, Addison Circle Station – Phase I. Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance Adopting a Development Plan for Lot 1, Block B, Addison Circle Station – Phase I, and the realignment of Spectrum Drive, Including a Site Plan, Landscape Plan, Facade and Floor Plans for a Multifamily Residential Building with Ground Floor Retail/Restaurant Uses, and Arapaho Road and Quorum Drive Streetscape Improvements on and adjacent to a 3.5 Acre Property at the Northeast Corner of Arapaho Road and Quorum Drive, and bisected by Spectrum Drive.

LOCATION MAP



January 17, 2023

STAFF REPORT

RE:	1875-Z/Multifamily Midrise, Lot 1, Block B, Addison Circle Station – Phase I
LOCATION:	3.5 acres generally located at the northeast corner of Arapaho Road and Quorum Drive, and bisected by Spectrum Drive
REQUEST:	Development Plan approval, to include a site plan, landscape plan, facade and floor plans, for the construction of a multifamily residential building with ground floor retail/restaurant uses, the realignment of Spectrum Drive, and Arapaho Road and Quorum Drive streetscape improvements on and adjacent to Lot 1, Block B of Addison Circle Station – Phase I.
APPLICANT:	Joe Bruce, AMLI Development Company, and the Town of Addison

DISCUSSION:

Background: The proposed 2.9 acre Lot 1, Block B and 0.6 acre right-of-way dedication for Spectrum Drive is located at the northeast corner of Arapaho Road and Quorum Drive, and is bisected by the existing Spectrum Drive. This proposed lot is comprised of a 7-story multifamily residential midrise building accommodating 412 dwelling units and 5,000 square feet of retail/restaurant space and a patio at the ground floor engaging Arapaho Road and Quorum Drive. This building wraps and is constructed upon a 3-level podium parking structure that will provide 599 parking spaces, inclusive of dedicated retail parking spaces at the ground floor. An amenity deck will be provided on top of the parking podium, at the 4th floor. Access to the parking structure is provided from Arapaho Road and Quorum Drive.

The Planned Development (PD) zoning process in Addison is a two-step process. The first step, which will be addressed through the consideration of Rezoning Request, Case 1860-Z, includes initial rezoning, and adoption of an associated concept plan and development standards. With this request, the Town and Co-Developers are proceeding with the second step of the PD zoning process, Development Plan approval. Any action taken on this request is subject to approval of and any applicable conditions applied to Rezoning Request, Case 1860-Z.

Proposed Development Plan: The proposed Development Plan includes a site plan, landscape plan, facade and floor plans, for the construction of this multifamily residential building on the proposed Lot 1, Block B as well as the realignment of Spectrum Drive, and improvements to the streetscape where this development site fronts Arapaho Road, Quorum Drive, and Spectrum Drive.

Staff Review: The purpose of this review is to determine compliance with the concept plan, development standards, and any associated conditions presented by the Planning & Zoning Commission's review of Case 1860-Z.

Uses: The applicant is proposing 412 residential dwelling units and 5,000 square feet of ground floor retail space. **The proposed uses comply with the permitted uses presented by Rezoning Request, Case 1860-Z.**

Concept Plan and Development Standards:

Landscape and Public Open Space: The proposed landscape plan has accommodated street trees and planting zones as required by the Streetscape Master Plan, through preservation of existing trees, and planting new trees. The plan accommodates appropriate landscape treatments to applicable common areas and public open space, and includes needed street furnishings such as benches and planters, with final design of these very detailed elements to be refined during civil plan review.

Streetscape Standards and Pavement Treatments: The proposed site plan achieves the minimum building setbacks from Arapaho Road, Quorum Drive, and Spectrum Drive, as well as the required sidewalk clear widths of 8 feet on Quorum Drive, 10 foot shared space with street trees on Arapaho Road, and 8 feet on Spectrum Drive. Special paving treatments are appropriately applied at pedestrian crosswalks and at prominent locations.

Multifamily Midrise Form Standards: The proposed façade plan achieves the 6 story minimum building height, subject to future FAA Part 77 review. The proposed ground floor retail space exceeds the 16 foot minimum floor to floor height, providing an elevated pedestrian experience at the intersection of Arapaho Road and Quorum Drive.

Airport Noise Mitigation: The proposed building is located outside of the 65 DNL noise contour for Addison Airport.

Parking: The proposed 608 parking spaces provided exceeds the minimum parking required by 46 spaces. The final quantity of required retail parking accommodated in the multifamily parking structure is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.

Façade: The proposed façade plan is subject to any negotiated conditions included in the definitive agreements between the Town and Co-Developers.

Mechanical Equipment and Solid Waste: The façade plan depicts all proposed mechanical equipment as being roof-mounted and appropriately screened. Solid waste and recycling facilities are enclosed and accessible from the ground level at the northern end of Spectrum Drive.

Sustainability and Residential Dwelling Unit Features: Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by the definitive agreements between the Town and Co-Developers. Compliance with residential dwelling unit interior furnishing requirements will be confirmed during the building permit review and inspection process.

The proposed site, landscape and building design complies with the concept plan and development standards presented by Rezoning Request, Case 1860-Z.

RECOMMENDATION: **APPROVAL WITH CONDITIONS**

Staff has reviewed the Development Plan and determined it to be in compliance with the concept plan and development standards prescribed by Rezoning Request, Case 1860-Z.

Staff recommends approval of the request subject to the following conditions:

- Final public and private landscape and street furnishing design to be completed during civil plan review.
- The final quantity of required retail parking accommodated in the multifamily parking structure is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.
- Building permit approval is subject to compliance with FAA Part 77 review for building height and final confirmation of residential building sites being situated outside of the 65 DNL noise contour.
- Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by the definitive agreements between the Town and Co-Developers.

Case 1875-Z/ Multifamily Midrise, Lot 1, Block B, Addison Circle Station – Phase I

January 17, 2023

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on January 17, 2023, voted to recommend approval of an Ordinance Adopting a Development Plan for Lot 1, Block B of Addison Circle Station – Phase I, including a Site Plan, Landscape Plan, Façade and Floor Plans for a Multifamily Residential Building with Ground Floor Retail/Restaurant Uses, and Arapaho Road and Quorum Drive Streetscape Improvements on and adjacent to a 3.5 Acre Property at the Northeast Corner of Arapaho Road and Quorum Drive, and bisected by Spectrum Drive, and situated within a proposed Planned Development (PD) District (Case #1860-Z), subject to the following conditions:

- Final public and private landscape and street furnishing design to be completed during civil plan review.

- The final quantity of required retail parking accommodated in the multifamily parking structure is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.

- Building permit approval is subject to compliance with FAA Part 77 review for building height and final confirmation of residential building sites being situated outside of the 65 DNL noise contour.

- Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by the definitive agreements between the Town and Co-Developers.

Voting Aye: Branson, Catalani, Craig, Faircloth, Fansler, Souers, DeFrancisco
Voting Nay: none
Absent: none

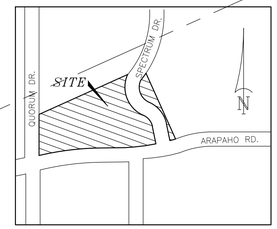
SPEAKERS AT THE PUBLIC HEARING:

For: none
On: none
Against: none

Site Data Summary Table	
SITE DENSITY	
LOT AREA (AC/SF)	2.88 AC / 125,731 SF
TOTAL UNITS	412 UNITS
RESIDENTIAL DENSITY (UNITS/AC)	143 U/AC
ZONING	
ZONING	Planned Development (PD)
LAND USE	Multifamily/Retail/Restaurant
LANDSCAPE AREA SUMMARY	
BUILDING COVERAGE (SF/%)	101,125 SF / 80.43 %
LANDSCAPE AREA (SF/%)	12,707 SF / 10.13 %
MULTIFAMILY UNITS	
1 BED/EFF. 1 BATH	288 UNITS
2 BED 2 BATH	124 UNITS
3 BED 3 BATH	0
TOTAL	412 UNITS
AVERAGE UNIT NET AREA	850 SF
BUILDING SUMMARY	
BUILDING HEIGHT (STORIES/FEET)	7 STORIES MAX / 77' MAX
BUILDING FLOOR AREA - RESIDENTIAL (SF)	350,200 SF
BUILDING FLOOR AREA - LEASING/AMENITY (SF)	11,000 SF
BUILDING FLOOR AREA - RETAIL/RESTAURANT (SF)	5,000 SF
TOTAL BUILDING FLOOR AREA (SF)	366,200 SF
RETAIL PATIO FLOOR AREA (SF)	790 SF
TOTAL BUILDING GROSS AREA (SF)	469,500 SF
PARKING GARAGE GROSS AREA (SF)	201,456 SF
PARKING	
PARKING REQUIRED MUTLIFAMILY UNITS & RETAIL/RESTAURANT	
1 PER BEDROOM / MAX 2 PER UNIT	537 SP
LEASING OFFICE 1/300 SF	8 SP
RETAIL 1/300 SF	17 SP
TOTAL	562 SP
PARKING PROVIDED MUTLIFAMILY UNITS & RETAIL/RESTAURANT	
Garage	599 SP
Surface	9 SP
TOTAL	608 SP

LOT 1X, BLOCK C
SITE DENSITY
SITE AREA: 0.44 AC, 19,263 SF

NOTES:
1. REFER TO LANDSCAPE PLAN FOR STREETSCAPE AND LANDSCAPE DETAILS.
BUILDING ENTRYWAYS, STREET, AND SITE FURNISHINGS TO BE FULLY DEFINED DURING CIVIL PLAN AND BUILDING PERMIT REVIEW.
2. UNIT MIX IS AN ESTIMATE SUBJECT TO CHANGE WITHOUT STAFF APPROVAL.



VICINITY MAP
NOT TO SCALE

N

50 25 0 50
1 INCH = 30 FEET

PROPOSED 12' TRAIL
DART - SILVER LINE
2'-0"
105' ROW
N65° 45' 09.91"E 445.848'
15' OHE EASEMENT
20'-0"
L=93.997, R=89.633
Δ=60.0218
20'-0"
16'-0"
S24°14'44"E - 109.32'
SERVICE / TENANT MOVE IN AREA
8'-0"
24'-0"
8'X22' TYP
DEDICATED PARK AREA
LOT 1X, BLOCK C 0.44 AC
S24°14'44"E - 42.26'
L=164.494, R=148.623
Δ=63.4144
9'X18' TYP.
7 LEVEL MULTI-FAMILY PODIUM & RETAIL AT LVL 01 3 LEVEL PARKING GARAGE 599 SP
PROPOSED SPECTRUM DRIVE - 62' R.O.W. - 0.61 AC
L=64.228, R=33.508
Δ=27.3640
L=55.328, R=38.352
Δ=82.6390
R=133.000
RESIDENTIAL UNITS
S59° 13' 14.29"E 205.91'
COURT YARD 6,000 SF
6' SETBACK
QUORUM DRIVE
GARAGE ENTRY AT LEVEL 02
24'-0"
GATE
RETAIL SERVICE
RETAIL PARKING
LOT 1, BLOCK B 2.88 AC
GROUND FLOOR QUROMUM / ARAPAHO SPLIT
N0° 50' 11.80"W 182.077'
0' SETBACK
PHASE 2 OFFICE & TRANSIT HUB
OHE TO BE BURIED PER STREETSCAPE MASTER PLAN
131'-6"
QUORUM STREET LEVEL 01 RETAIL / RESTAURANT 5,000 SF
RESIDENTIAL UNITS
RESIDENTIAL UNITS
S11° 36' 59.26"E 66.786'
AMENITY/LEASING 8,440 SF
N11° 36' 59.26"W 68.008'
L=27.999, R=949.000
Δ=1.6904
L=35.637, R=32.864
Δ=62.1303
L=37.829, R=24.029
Δ=90.2017
22'-0"
PATIO 790 SF
GARAGE ENTRY 36'-0"
6' SETBACK
N51° 20' 28.07"W 10.62'
D = 10°16'05"
R = 951.00'
L = 170.43'
CB = S83°57'50"W
CH = 170.20'
S 89°05'53"W 126.88'
ARAPAHO ROAD
EXISTING LEFT TURN LANE
EXISTING LEFT TURN LANE
ARAPAHO RD.
SPECTRUM DR.

ADDISON CIRCLE STATION
LOT 01, BLOCK B
LOT 1X, BLOCK C

OWNER/APPLICANT:

AMLI RESIDENTIAL
ATT. JOE BRUCE
5057 KELLER SPRINGS RD.
ADDISON, TX 75001
PH 972-265-6792

STREAM REALTY
ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-267-0477

ISSUE / REVISION LOG

DATE	DESCRIPTION	
08-19-22	CONCEPT SITE PLAN	
10-07-22	CONCEPT SITE PLAN REV. 01	
11-21-22	DEVELOPMENT PLAN	
12-29-22	DEVELOPMENT PLAN REV.	
01-11-23	DEVELOPMENT PLAN REV.	

O'BRIEN
STEFAN HAESSIG
1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com

TOWN PROJECT NUMBER: 1875-Z
ADDISON CIRCLE STATION
LOT 1, BLOCK B & LOT 1X, BLOCK C
2.88 AC & 0.44 AC - G.W. FISHER SURVEY, ABSTRACT NO.482
TOWN OF ADDISON, COUNTY OF DALLAS, STATE OF TEXAS

DATE:	ARCH. PROJ. #	SCALE:
0-11-23	202162	1"=30'-0"

SHEET NO.

A001
SITE PLAN
LOT 1, BLOCK B
LOT 1X, BLOCK C

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H = 129.20'

20'-WIDE ENHANCED PAVING CROSSWALK

POSSIBLE FUTURE HOODED LEFT-TURN

PROPOSED 12' TRAIL

DART - SILVER LINE

12'-0"

BACK

RETAIL PATIO

S 00°51'44" E 136.90'

LEASING PATIO

CONNECT SIDEWALK TO COTTON BELT TRAIL

15' OHE EASEMENT

(1) EXISTING TREE TO REMAIN

BICYCLE PARKING

STREET LIGHT, TYP.

22'-0"

QUORUM DRIVE

GATE

GARAGE ENTRY AT LEVEL 02

24'-0"

ENHANCED PAVING CROSSWALK

BENCH

PLANTING BED, TYP.

10' SETBACK

PLANTER POTS

(2) EXISTING TREES TO REMAIN

OHE TO BE BURIED PER STREETSCAPE MASTER PLAN

EXISTING STREET LIGHT TO REMAIN, TYP.

QUORUM STREET LEVEL 01 RETAIL / RESTAURANT 5,000 SF

LOT IDENTIFICATION SIGNAGE

RESIDENTIAL UNITS

GROUND FLOOR QUORUM / ARAPAHO SPLIT

LOT 1, BLOCK B
2.88 AC

RESIDENTIAL UNITS

ENHANCED PAVING CROSSWALK

GATE

AMENITY/LEASING 8,440 SF

LOT IDENTIFICATION SIGNAGE

PLANTER POTS

PATIO 790 SF

EXISTING STREET LIGHT TO REMAIN, TYP.

D = 10°16'05"

6' SETBACK

8' SIDEWALK

6' BUFFER

S 89°05'53"W 126.88'

(9) EXISTING TREES TO REMAIN

GARAGE ENTRY 36'-0"

(2) EXISTING TREES TO REMAIN

EXISTING STREET LIGHT TO REMAIN, TYP.

(1) EXISTING TREE TO REMAIN

20'-WIDE ENHANCED PAVING CROSSWALK

ARAPAHO ROAD

EXISTING LEFT TURN LANE

EXISTING LEFT TURN LANE

ARAPAHO RD.

20'-WIDE ENHANCED PAVING CROSSWALK

ENHANCED PAVING AT INTERSECTION CORNER (FUTURE BY TOWN)

PERMANENT LIGHTED BOLLARDS

ENHANCED PAVING AT INTERSECTION CORNER (FUTURE BY TOWN)

SPECTRUM DR.

(2) EXISTING TREES TO REMAIN

(1) EXISTING TREE TO REMAIN

TRASH RECEPTACLE

BENCH

SERVICE / TENANT MOVE IN AREA

ENHANCED PAVING CROSSWALK

STREET LIGHT, TYP.

FENCED RESIDENTIAL PATIOS

6' BUFFER

8' SIDEWALK

6' SETBACK

ENHANCED PAVING WITHIN SPECTRUM DRIVE EXTENDING FROM ARAPAHO ROAD TO THE DART RAIL CORRIDOR

BICYCLE PARKING

RESIDENTIAL UNITS

POSSIBLE PUBLIC ART INSTALLATION

BENCH

LEASING PATIO

LOT 1X
BLOCK C
0.44 AC

DEDICATED PARK AREA

S24°14'44"E 108.22'

8'X22' TYP

24'-0"

8'-0"

16'-0"

BENCH

COURT YARD 5,000 SF

6' SETBACK

BENCH

LOT 1X, BLOCK C, 0.44 AC.

S24°14'44"E 233.35'

BENCH

POSSIBLE PUBLIC ART INSTALLATION

PRESERVE VISIBILITY TO PUBLIC ART INSTALLATION FROM SPECTRUM DRIVE

BENCH

5' SIDEWALK

3' BUFFER

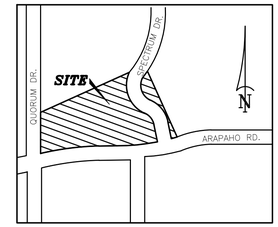
PROPOSED SPECTRUM DRIVE - 62' R.O.W. - 0.61 AC

BENCH

(1) EXISTING TREE TO REMAIN

20'-WIDE ENHANCED PAVING CROSSWALK

EXISTING STREET LIGHT TO REMAIN, TYP.



VICINITY MAP
NOT TO SCALE

NOTES:

1. PATIOS, PLANT MATERIAL, AND PAVING ENHANCEMENTS ARE PROPOSED AND SUBJECT TO ADJUSTMENT TO ACCOUNT FOR ARCHITECTURAL REVISIONS AND FEATURES. AS ADDITIONAL INFORMATION IS PROVIDED RELATED TO ARCHITECTURAL FEATURES, THE LANDSCAPE DESIGN WILL CONTINUE TO BE REVISED TO ACCOMMODATE THESE REVISIONS.
2. ENHANCED PAVING TO BE BRICK PAVERS, CONCRETE PAVERS, AND/ OR STAMPED AND STAINED CONCRETE. FINAL DETERMINATION OF PAVING MATERIAL SHOULD BE DETERMINED AT PERMIT PHASE
3. DEVELOPMENT PLAN FOR LOT 1X, BLOCK C WILL BE PROVIDED AT A FUTURE DATE. PARK WILL BE CONSTRUCTED WITH LOT 1, BLOCK B.
4. FURTHER DESIGN CONSIDERATIONS ARE NEEDED WITH TOWN STAFF BEYOND THE CONCEPT PLAN RELATED TO THE PAVING ENHANCEMENT TRANSITION AT THE NORTH AND SOUTH END OF THE SPECTRUM DRIVE REALIGNMENT, THE PLACEMENT OF THE FUTURE SIDEWALK ALONG THE EAST SIDE OF THE SPECTRUM DRIVE REALIGNMENT, THE DESIGN CONSIDERATION FOR EXISTING TOPOGRAPHY WITHIN THE FUTURE PARK TO INCLUDE EXISTING STONE STEPS AND PAVER ENHANCEMENTS ALONG SPECTRUM DRIVE AND PARK WALK. THE NEED FOR A VARIETY OF TREE SPECIES IN THE PARK, BICYCLE PARKING AND REPAIR STATIONS, SIGNAGE, AND THE NEED FOR A GUARDRAIL ALONG SPECTRUM DRIVE
5. ARAPAHO ROAD AND QUORUM DRIVE INTERSECTION IMPROVEMENTS DESIGN STANDARDS FOR ALL FOUR (4) CORNERS OF THE INTERSECTION OF ARAPAHO ROAD AND QUORUM DRIVE SHALL BE PROVIDED BY THE DEVELOPER. THESE STANDARDS SHALL MEET THE REQUIREMENTS OF THE TOWN OF ADDISON AND THE ULTIMATE DESIGN BE PROVIDED IN COORDINATION WITH TOWN STAFF. THE DEVELOPER, IN COORDINATION WITH THE TOWN OF ADDISON STAFF, SHALL PROPOSED A NEW LIGHTED BOLLARD FOR THIS AREA WITH THE UNDERSTANDING THAT THIS BOLLARD SHALL BECOME THE STANDARD OF DESIGN FOR THE FOR ENTIRE DISTRICT

PRELIMINARY PLANT SCHEDULE SCHEDULE

SHADE TREE 6-8" CAL. SIZE -		33
ORNAMENTAL/EVERGREEN TREE -		56
SHRUB/GROUND COVER -		17,101 sf
SOD -		18,453 sf
EXISTING TREES TO REMAIN		

TOTAL LOT 04 LANDSCAPE AREA = 12,707 SF

TOTAL LOT 05 LANDSCAPE AREA = 10,832 SF

TEXAS811
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TEXAS ONE-CALL CENTER
IT'S THE LAW!

LandDesign.
5301 ALPHA ROAD, SUITE 24
DALLAS, TX 75240
214.785.6009
WWW.LANDDESIGN.COM

KEY MAP

SEAL

PRELIMINARY
FOR REVIEW PURPOSES ONLY AND SHALL NOT BE USED FOR BIDDING, PERMITTING, OR CONSTRUCTION.

C. Heth Kendrick
Registered Landscape Architect of the State of TEXAS
Registration Number: 2948

PROJECT

ADDISON CIRCLE STATION PHASE I

AMLI RESIDENTIAL

ADDISON, TX

LANDDESIGN PROJ.#
8521186

REVISION / ISSUANCE

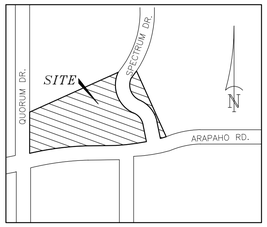
NO.	DESCRIPTION	DATE
	TOWN REVISIONS	11.18.2022
	TOWN REVISIONS	12.29.2022
	TOWN REVISIONS	01.13.2023

DESIGNED BY: XX
DRAWN BY: XX
CHECKED BY: XX

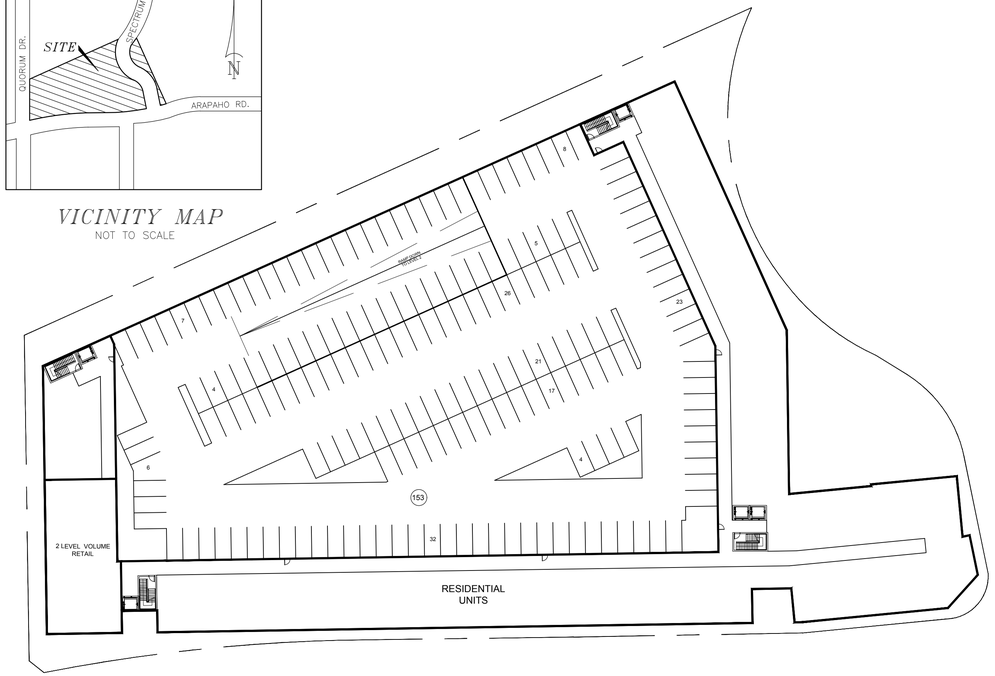
SCALE
NORTH
VERT: N/A
HORZ: 1"=30'
0 15' 30' 60'

SHEET TITLE
LOT 01, BLOCK B & C
LANDSCAPE PLAN

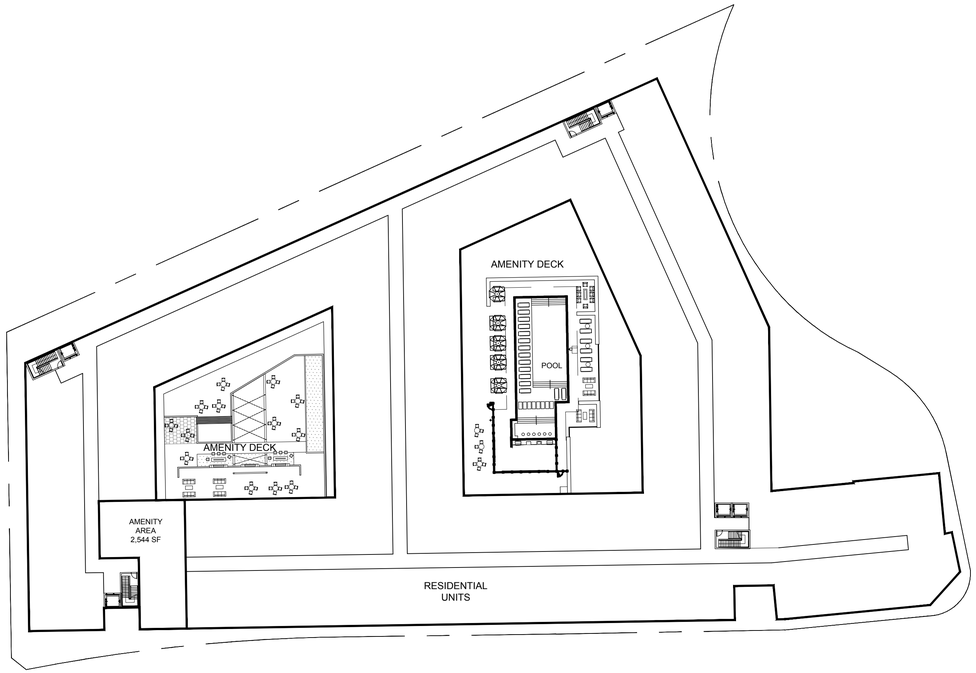
SHEET NUMBER
L6-40



VICINITY MAP
NOT TO SCALE



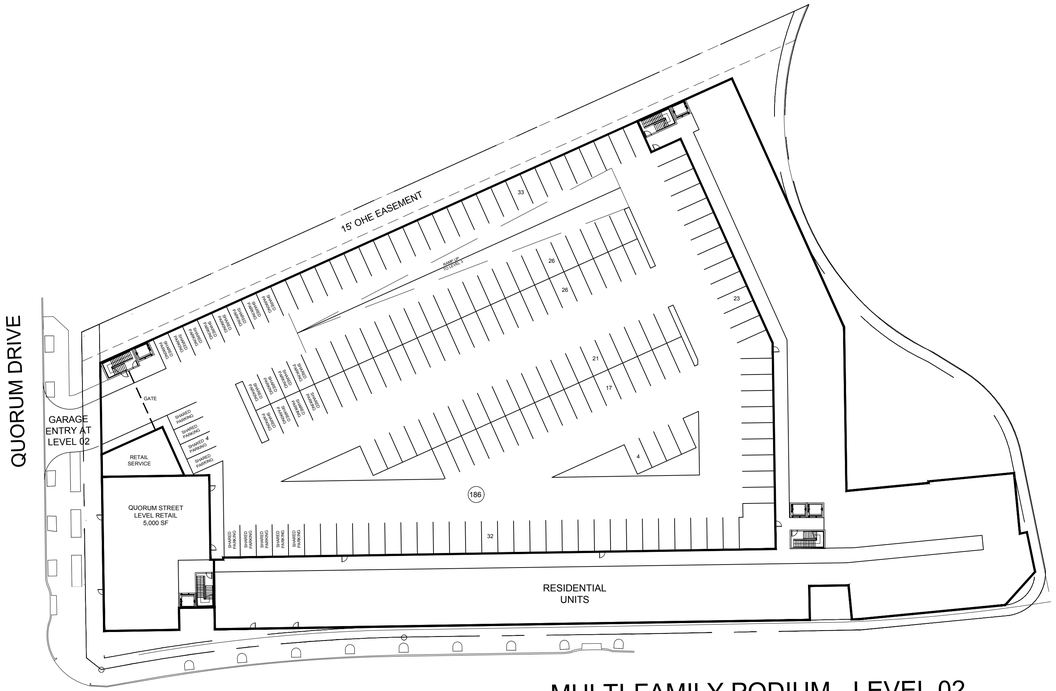
MULTI-FAMILY PODIUM - LEVEL 03



MULTI-FAMILY PODIUM - LEVEL 04



MULTI-FAMILY PODIUM - LEVEL 01



MULTI-FAMILY PODIUM - LEVEL 02

ADDISON CIRCLE STATION
LOT 01, BLOCK B
LOT 1X, BLOCK C

OWNER/APPLICANT:

AMLI RESIDENTIAL
ATT. JOE BRUCE
5057 KELLER SPRINGS RD.
ADDISON, TX 75001
PH 972-265-6792

STREAM REALTY
ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-267-0477

ISSUE / REVISION LOG

DATE	DESCRIPTION	
08-19-22	CONCEPT SITE PLAN	
10-07-22	CONCEPT SITE PLAN REV. 01	
11-21-22	DEVELOPMENT PLAN	
12-29-22	DEVELOPMENT PLAN REV.	
01-11-23	DEVELOPMENT PLAN REV.	

OBRIEN
STEFAN HAESSIG
1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com

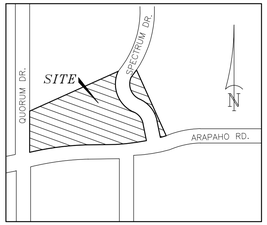
TOWN PROJECT NUMBER: 1875-Z
ADDISON CIRCLE STATION
LOT 1, BLOCK B & LOT 1X, BLOCK C
2.88 AC & 0.44 AC - G.W. FISHER SURVEY, ABSTRACT NO.482
TOWN OF ADDISON, COUNTY OF DALLAS, STATE OF TEXAS

DATE:	ARCH. PROJ. #:	SCALE:
01-11-23	202162	1"=40'-0"

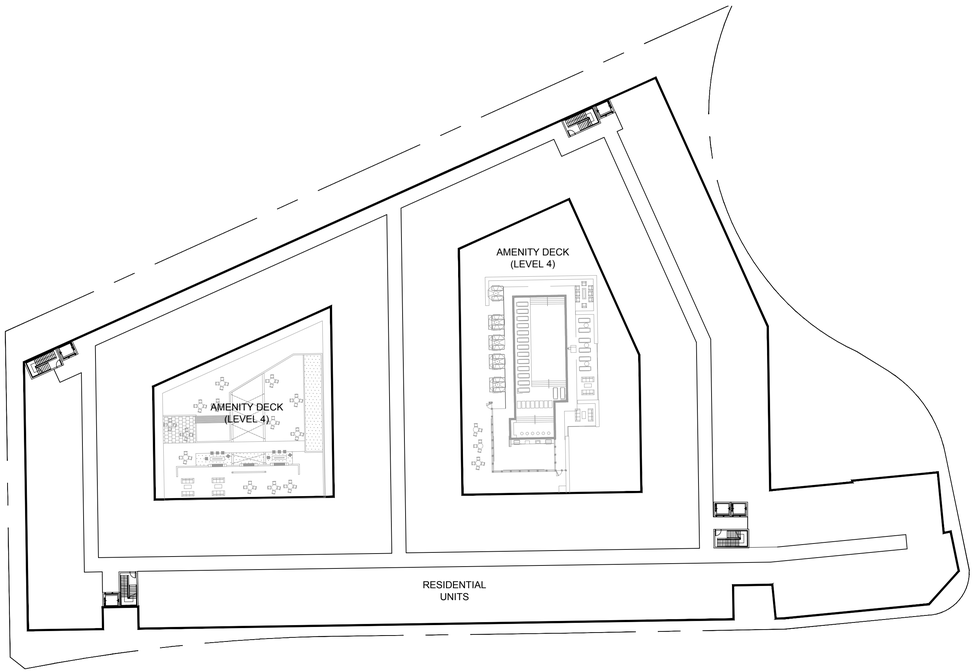
SHEET NO.

A001
FLOOR PLAN
LOT 1, BLOCK B
LOT 1X, BLOCK C

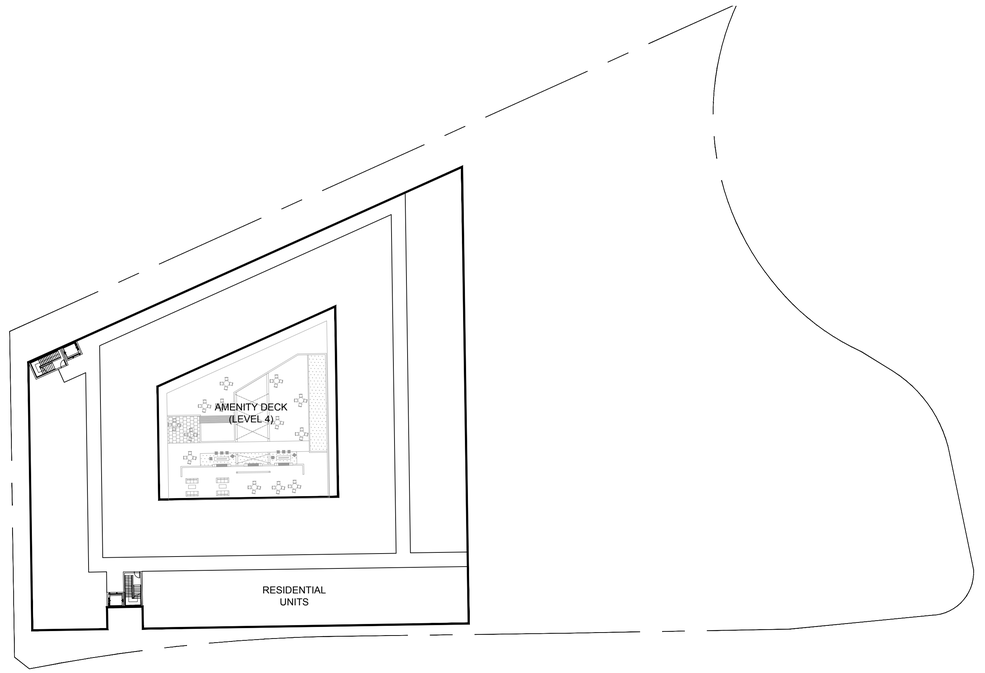
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VICINITY MAP
NOT TO SCALE



MULTI-FAMILY PODIUM - LEVEL 05, 06, 07



MULTI-FAMILY PODIUM - LEVEL 08

ADDISON CIRCLE
STATION
LOT 01, BLOCK B
LOT 1X, BLOCK C

OWNER/APPLICANT:

AMLI RESIDENTIAL
ATT. JOE BRUCE
5057 KELLER SPRINGS RD.
ADDISON, TX 75001
PH 972-265-6792

STREAM REALTY
ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-267-0477

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01-11-23	DEVELOPMENT PLAN REV.	

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STEFAN HAESSIG
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SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com

TOWN PROJECT NUMBER: 1875-Z
ADDISON CIRCLE STATION
LOT 1, BLOCK B & LOT 1X, BLOCK C
2.88 AC & 0.44 AC - G.W. FISHER SURVEY, ABSTRACT NO.482
TOWN OF ADDISON, COUNTY OF DALLAS, STATE OF TEXAS

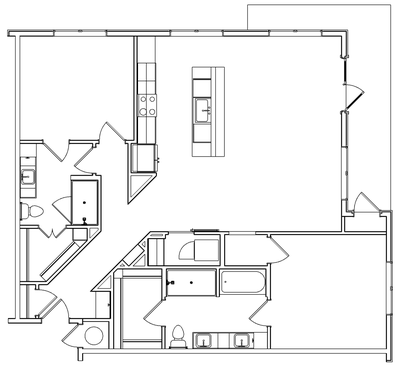
DATE:	ARCH. PROJ. #:	SCALE:
01-11-23	202162	1"=40'-0"

SHEET NO.

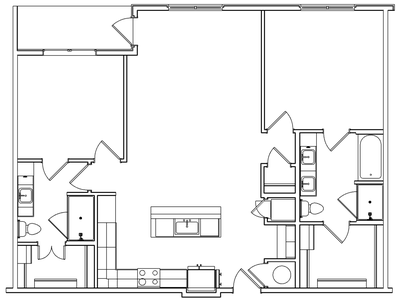
A002
FLOOR PLAN
LOT 1, BLOCK B
LOT 1X, BLOCK C

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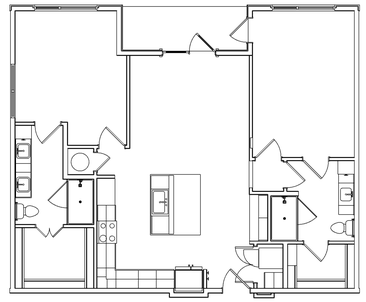
Site Data Summary Table	
SITE DENSITY	
LOT AREA (AC/SF)	2.88 AC / 125,731 SF
TOTAL UNITS	412 UNITS
RESIDENTIAL DENSITY (UNITS/AC)	143 U/AC
ZONING	
ZONING	Planned Development (PD)
LAND USE	Multifamily/Retail/Restaurant
LANDSCAPE AREA SUMMARY	
BUILDING COVERAGE (SF/%)	101,125 SF / 80.43 %
LANDSCAPE AREA (SF/%)	12,707 SF / 10.13 %
MULTIFAMILY UNITS	
1 BED/EFF. 1 BATH	288 UNITS
2 BED 2 BATH	124 UNITS
3 BED 3 BATH	0
TOTAL	412 UNITS
AVERAGE UNIT NET AREA	850 SF
BUILDING SUMMARY	
BUILDING HEIGHT (STORIES/FEET)	7 STORIES MAX / 77' MAX
BUILDING FLOOR AREA - RESIDENTIAL (SF)	350,200 SF
BUILDING FLOOR AREA - LEASING/AMENITY (SF)	11,000 SF
BUILDING FLOOR AREA - RETAIL/RESTAURANT (SF)	5,000 SF
TOTAL BUILDING FLOOR AREA (SF)	366,200 SF
RETAIL PATIO FLOOR AREA (SF)	790 SF
TOTAL BUILDING GROSS AREA (SF)	469,500 SF
PARKING GARAGE GROSS AREA (SF)	201,456 SF
PARKING	
PARKING REQUIRED MUTLIFAMILY UNITS & RETAIL/RESTAURANT	
1 PER BEDROOM / MAX 2 PER UNIT	537 SP
LEASING OFFICE 1/300 SF	8 SP
RETAIL 1/300 SF	17 SP
TOTAL	562 SP
PARKING PROVIDED MUTLIFAMILY UNITS & RETAIL/RESTAURANT	
Garage	599 SP
Surface	9 SP
TOTAL	608 SP



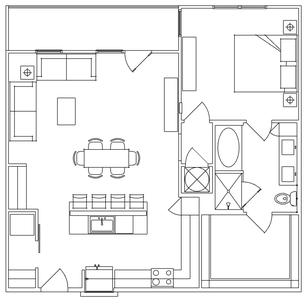
08 **UNIT C9.A**
43' x 37'
Net: 1433 S.F.
SCALE: 1/8" = 1'-0"



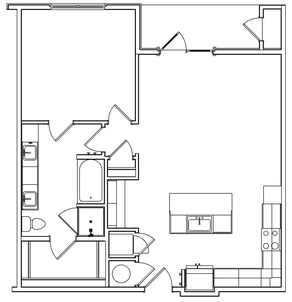
07 **UNIT C6.A**
42' x 32'
Net: 1285 S.F
SCALE: 1/8" = 1'-0"



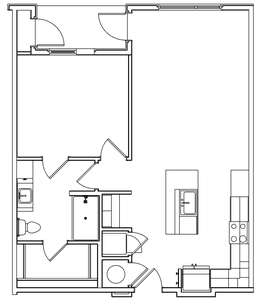
06 **UNIT C5.B**
39' x 32'
Net: 1184 S.F.
SCALE: 1/8" = 1'-0"



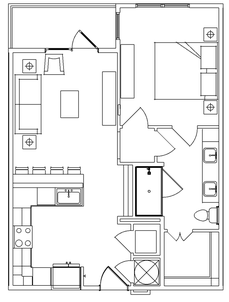
05 **UNIT A5.B**
33' x 32'
Net: 959 S.F.
SCALE: 1/8" = 1'-0"



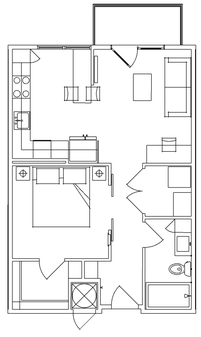
04 **UNIT A5.A**
30' x 32'
Net: 900 S.F.
SCALE: 1/8" = 1'-0"



03 **UNIT A4.A**
27' x 32'
Net: 818 S.F.
SCALE: 1/8" = 1'-0"



02 **UNIT A3a**
24' x 32'
Net: 708 S.F.
SCALE: 1/8" = 1'-0"



01 **UNIT A2**
21' X 32'
Net: 627 S.F.
SCALE: 1/8" = 1'-0"

PROJECT TITLE:
ADDISON CIRCLE STATION
Lot 1, Block B
Lot 1X, Block C

ADDISON,
TEXAS

OWNER/APPLICANT:
AMLI RESIDENTIAL
ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
75001
PH 972-265-6792

STREAM REALTY
ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-267-0477

ISSUE/REVISION LOG

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12-29-22	DEVELOPMENT PLAN REV.
01-11-23	DEVELOPMENT PLAN REV.

O'BRIEN
1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com

TOWN PROJECT NUMBER: 1875-Z
ADDISON CIRCLE STATION
LOTS 1, BLOCK B & LOT 1X, BLOCK C
2.88 AC & 0.44 AC- G.W. FISHER
SURVEY, ABSTRACT NO.482
TOWN OF ADDISON, COUNTY OF
DALLAS, STATE OF TEXAS

DATE	ARCH. PROJ. #
01-11-23	202162

SHEET NO.

A003

UNIT PLAN
LOT 1, BLOCK B &
LOT 1X, BLOCK C

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MID RISE

NORTH

	SF	%
TOTAL WALL AREA	39537	100%
GLASS	5376	14%
METAL	1186	3%
MASONRY	12516	32%
FIBER CEMENT	14113	36%
GARAGE SCREEN	6346	16%

SOUTH

	SF	%
TOTAL WALL AREA	41767	100%
GLASS	19943	48%
METAL	1246	3%
MASONRY	11112	27%
FIBER CEMENT	9466	23%

EAST

	SF	%
TOTAL WALL AREA	25616	100%
GLASS	7805	30%
METAL	767	3%
MASONRY	11015	43%
FIBER CEMENT	6029	24%

WEST

	SF	%
TOTAL WALL AREA	11900	100%
GLASS	5783	49%
METAL	712	5%
MASONRY	3081	26%
FIBER CEMENT	2324	20%

FACADE PLAN NOTES

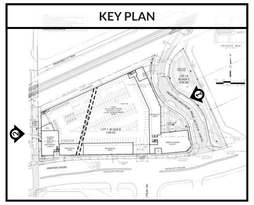
- THIS FACADE PLAN IS FOR CONCEPTUAL PURPOSES ONLY. ALL BUILDING PLANS REQUIRE REVIEW AND APPROVAL BY DEVELOPMENT SERVICES.
- ALL MECHANICAL UNITS SHALL BE SCREENED FROM PUBLIC VIEW AS REQUIRED BY THE ZONING ORDINANCE
- WHEN PERMITTED, EXPOSED UTILITY BOXES AND CONDUITS SHALL BE PAINTED TO MATCH THE BUILDING
- ALL SIGNAGE AREAS AND LOCATIONS ARE SUBJECT TO APPROVAL BY DEVELOPMENT SERVICES
- ROOF ACCESS SHALL BE PROVIDED INTERNALLY, UNLESS OTHERWISE PERMITTED BY THE CHIEF BUILDING OFFICIAL

PODIUM FACADE KEYNOTES

1. BRICK 01
2. STONE 01
3. FIBER CEMENT PANEL 01
4. FIBER CEMENT PANEL 02
5. FIBER CEMENT PANEL 03
6. RAILING
7. VISION GLASS
8. METAL PANEL
9. METAL COPING
10. METAL SCREEN
11. METAL CANOPY
12. STOREFRONT SYSTEM

GENERAL NOTES

KEY PLAN





2 MID RISE - EAST ELEVATION

SCALE: 1/16" = 1'-0"



1 PODIUM - WEST ELEVATION

SCALE: 1/16" = 1'-0"

PROJECT TITLE:

ADDISON CIRCLE STATION

Lot 1, Block B

Lot 1X, Block C

ADDISON,
TEXAS

OWNER/APPLICANT:

AMLI RESIDENTIAL

ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
75001
PH 972-265-6792

STREAM REALTY

ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
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O'BRIEN

1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
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www.obrienarch.com

TOWN PROJECT NUMBER: 1875-Z
ADDISON CIRCLE STATION
LOTS 1, BLOCK B & LOT 1X, BLOCK C
2.88 AC & 0.44 AC- G.W. FISHER SURVEY, ABSTRACT NO.482
TOWN OF ADDISON, COUNTY OF DALLAS, STATE OF TEXAS

DATE	ARCH. PROJ. #
01-11-23	202162

SHEET NO.

A005

FACADE PLAN

LOT 1, BLOCK B &
LOT 1X, BLOCK C

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MID RISE

NORTH	SF	%
TOTAL WALL AREA	39537	100%
GLASS	5376	14%
METAL	1186	3%
MASONRY	12516	32%
FIBER CEMENT	14113	36%
GARAGE SCREEN	6346	16%

SOUTH	SF	%
TOTAL WALL AREA	41767	100%
GLASS	19943	48%
METAL	1246	3%
MASONRY	11112	27%
FIBER CEMENT	9466	23%

EAST	SF	%
TOTAL WALL AREA	25616	100%
GLASS	7805	30%
METAL	767	3%
MASONRY	11015	43%
FIBER CEMENT	6029	24%

WEST	SF	%
TOTAL WALL AREA	11900	100%
GLASS	5783	49%
METAL	712	5%
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FIBER CEMENT	2324	20%

FACADE PLAN NOTES

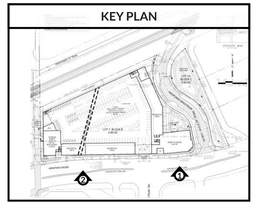
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PODIUM FACADE KEYNOTES

1 BRICK 01	7 VISION GLASS
2 STONE 01	8 METAL PANEL
3 FIBER CEMENT PANEL 01	9 METAL COPING
4 FIBER CEMENT PANEL 02	10 METAL SCREEN
5 FIBER CEMENT PANEL 03	11 METAL CANOPY
6 RAILING	12 STOREFRONT SYSTEM

GENERAL NOTES

KEY PLAN





2 MID RISE - PARTIAL SOUTH ELEVATION A

SCALE: 1/16" = 1'-0"



1 MID RISE - PARTIAL SOUTH ELEVATION B

SCALE: 1/16" = 1'-0"

PROJECT TITLE:

ADDISON CIRCLE STATION

Lot 1, Block B

Lot 1X, Block C

ADDISON,
TEXAS

OWNER/APPLICANT:

AMLI RESIDENTIAL

ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
75001
PH 972-265-6792

STREAM REALTY

ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-267-0477

ISSUE/REVISION LOG

DATE	DESCRIPTION
08-19-22	CONCEPT SITE PLAN
11-21-22	DEVELOPMENT PLAN
12-29-22	DEVELOPMENT PLAN REV.
01-11-23	DEVELOPMENT PLAN REV.

O'BRIEN

1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com

TOWN PROJECT NUMBER: 1875-Z
ADDISON CIRCLE STATION
LOTS 1, BLOCK B & LOT 1X, BLOCK C
2.88 AC & 0.44 AC- G.W. FISHER
SURVEY, ABSTRACT NO.482
TOWN OF ADDISON, COUNTY OF
DALLAS, STATE OF TEXAS

DATE	ARCH. PROJ. #
01-11-23	202162

SHEET NO.

A006

FACADE PLAN

LOT 1, BLOCK B &
LOT 1X, BLOCK C

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MID RISE

NORTH	SF	%
TOTAL WALL AREA	39537	100%
GLASS	5376	14%
METAL	1186	3%
MASONRY	12516	32%
FIBER CEMENT	14113	36%
GARAGE SCREEN	6346	16%

SOUTH	SF	%
TOTAL WALL AREA	41767	100%
GLASS	19943	48%
METAL	1246	3%
MASONRY	11112	27%
FIBER CEMENT	9466	23%

EAST	SF	%
TOTAL WALL AREA	25616	100%
GLASS	7805	30%
METAL	767	3%
MASONRY	11015	43%
FIBER CEMENT	6029	24%

WEST	SF	%
TOTAL WALL AREA	11900	100%
GLASS	5783	49%
METAL	712	5%
MASONRY	3081	26%
FIBER CEMENT	2324	20%

FACADE PLAN NOTES

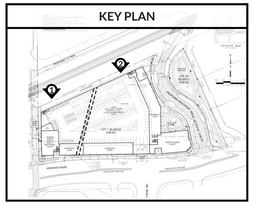
- THIS FACADE PLAN IS FOR CONCEPTUAL PURPOSES ONLY. ALL BUILDING PLANS REQUIRE REVIEW AND APPROVAL BY DEVELOPMENT SERVICES.
- ALL MECHANICAL UNITS SHALL BE SCREENED FROM PUBLIC VIEW AS REQUIRED BY THE ZONING ORDINANCE
- WHEN PERMITTED, EXPOSED UTILITY BOXES AND CONDUITS SHALL BE PAINTED TO MATCH THE BUILDING
- ALL SIGNAGE AREAS AND LOCATIONS ARE SUBJECT TO APPROVAL BY DEVELOPMENT SERVICES
- ROOF ACCESS SHALL BE PROVIDED INTERNALLY, UNLESS OTHERWISE PERMITTED BY THE CHIEF BUILDING OFFICIAL

PODIUM FACADE KEYNOTES

1. BRICK 01
2. STONE 01
3. FIBER CEMENT PANEL 01
4. FIBER CEMENT PANEL 02
5. FIBER CEMENT PANEL 03
6. RAILING
7. VISION GLASS
8. METAL PANEL
9. METAL COPING
10. METAL SCREEN
11. METAL CANOPY
12. STOREFRONT SYSTEM

GENERAL NOTES

KEY PLAN





2 PODIUM - PARTIAL NORTH ELEVATION A

SCALE: 1/16" = 1'-0"



1 PODIUM - PARTIAL NORTH ELEVATION B

SCALE: 1/16" = 1'-0"

PROJECT TITLE:

ADDISON CIRCLE STATION

Lot 1, Block B

Lot 1X, Block C

ADDISON,
TEXAS

OWNER/APPLICANT:

AMLI RESIDENTIAL

ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
75001
PH 972-265-6792

STREAM REALTY

ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-267-0477

ISSUE/REVISION LOG

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O'BRIEN

1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
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TOWN PROJECT NUMBER: 1875-Z
ADDISON CIRCLE STATION
LOTS 1, BLOCK B & LOT 1X, BLOCK C
2.88 AC & 0.44 AC- G.W. FISHER
SURVEY, ABSTRACT NO.482
TOWN OF ADDISON, COUNTY OF
DALLAS, STATE OF TEXAS

DATE	ARCH. PROJ. #
01-11-23	202162

SHEET NO.

A007

FACADE PLAN

LOT 1, BLOCK B &
LOT 1X, BLOCK C

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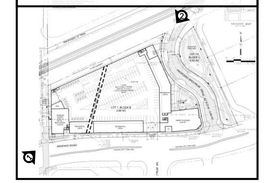


1 PODIUM - PERSPECTIVE



2 PODIUM - PERSPECTIVE

KEY PLAN



PROJECT TITLE:

ADDISON CIRCLE STATION

Lot 1, Block B

Lot 1X, Block C

ADDISON,
TEXAS

OWNER/APPLICANT:

AMLI RESIDENTIAL

ATTN: JOE BRUCE
5057 KELLER SPRINGS RD.
STE 250 ADDISON, TEXAS
75001
PH 972-265-6792

STREAM REALTY

ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-267-0477

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O'BRIEN

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SUITE 122
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TOWN PROJECT NUMBER: 1875-Z
ADDISON CIRCLE STATION
LOTS 1, BLOCK B & LOT 1X, BLOCK C
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SURVEY, ABSTRACT NO.482
TOWN OF ADDISON, COUNTY OF
DALLAS, STATE OF TEXAS

DATE	ARCH. PROJ. #
01-11-23	202162

SHEET NO.

A004

FACADE PLAN

LOT 1, BLOCK B &
LOT 1X, BLOCK C

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Council Meeting 2023 **16.**

Meeting Date: 02/13/2023

Department: Development Services

AGENDA CAPTION:

Hold a Public Hearing, Present, Discuss, and Consider Action on an **Ordinance Adopting a Development Plan for Lot 2, Block A of Addison Circle Station – Phase I, Including a Site Plan and Landscape Plan for the Construction of Emergency Access Drives, Pedestrian Ways, and Festival Way Streetscape Improvements on and Adjacent to a 1.9 Acre Property Generally Located South of Festival Way and 400 Feet West of Quorum Drive.** Case 1873-Z/Retail Node, Lot 2, Block A, Addison Circle Station – Phase I.

BACKGROUND:

The Addison Planning and Zoning Commission, meeting in regular session on January 17, 2023, voted to recommend approval of an Ordinance Adopting a Development Plan for Lot 2, Block A of Addison Circle Station – Phase I, including a Site Plan and Landscape Plan for the construction of Emergency Access Drives, Pedestrian Ways, and Festival Way Streetscape Improvements on and adjacent to a 1.9 Acre Property generally located South of Festival Way and 400 Feet West of Quorum Drive, and situated within a proposed Planned Development (PD) District (Case #1860-Z), subject to the following conditions:

- Additional development plans are required in the future to initiate the buildout of this lot.
- Final public and private landscape and street furnishing design to be completed during civil plan review.
- The final quantity of parking spaces and operation of the public parking structure is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.
- Building permit approval is subject to compliance with FAA Part 77 review for building height.
- Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by the definitive agreements between the Town and Co-Developers.

Voting Aye: Branson, Catalani, Craig, Faircloth, Fansler, Souers, DeFrancisco
Voting Nay: none
Absent: none

SPEAKERS AT THE PUBLIC HEARING:

For: none

On: none
Against: none

RECOMMENDATION:

Administration recommends approval.

Attachments

1873-Z Presentation
1873-Z Ordinance
1873-Z Staff Report
1873-Z Plans

Retail/Restaurant/Entertainment Development Plan Addison Circle Station – Phase I (1873-Z)

Case 1873-Z Retail/Restaurant/Entertainment

LOCATION:

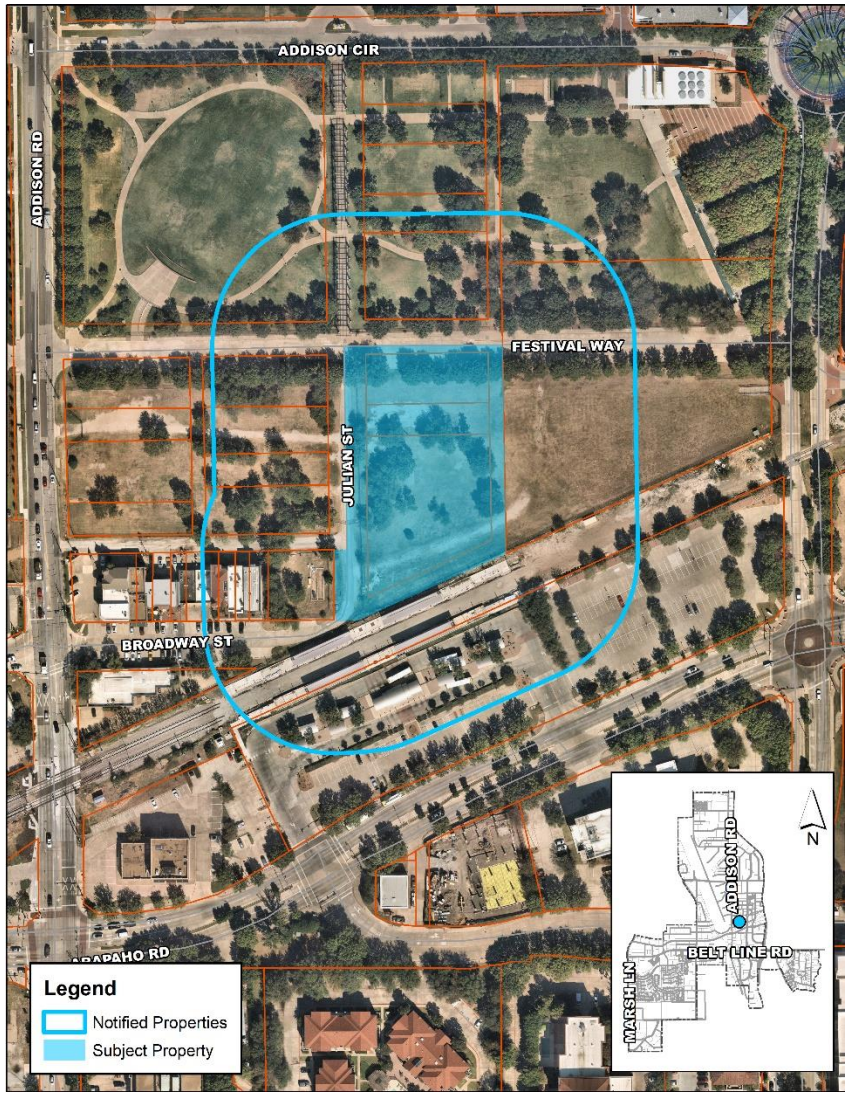
1.9 acres generally located south of Festival Way and 400 feet west of Quorum Drive.

REQUEST:

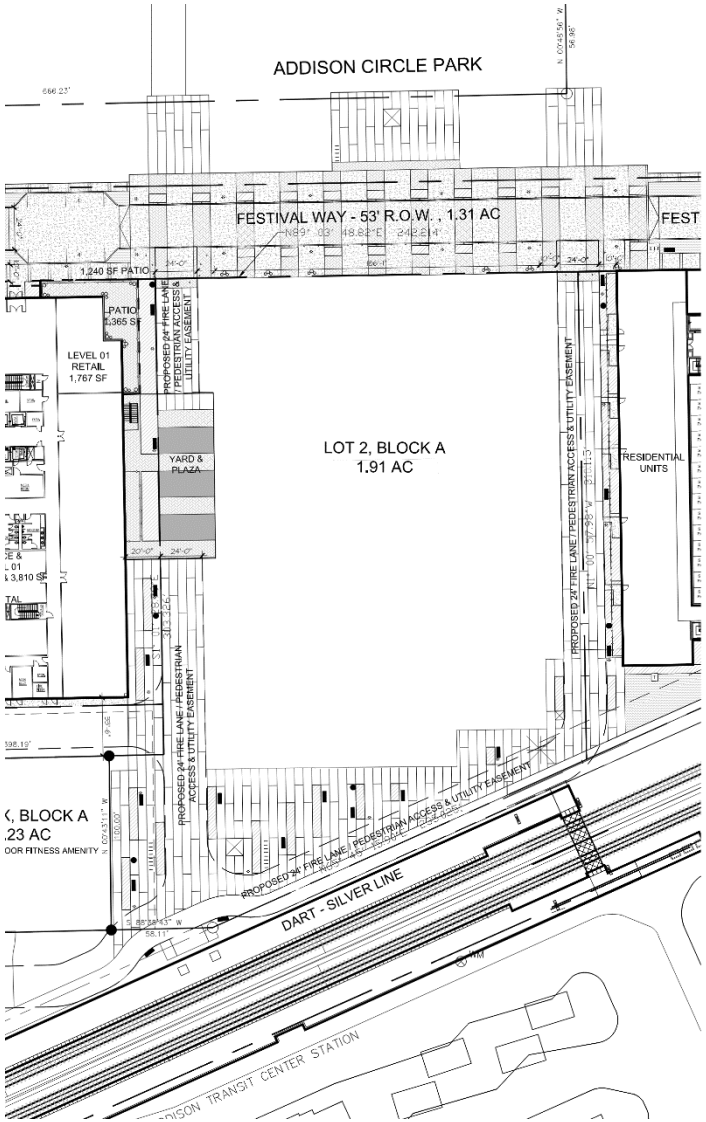
To approve a site plan and landscape plan for the construction of emergency access drives, pedestrian ways, and Festival Way streetscape improvements on and adjacent to Lot 2, Block A of Addison Circle Station – Phase I.

ACTION REQUIRED:

Discuss, consider, and take action on the appropriateness of the proposed development plan approval request.



Case 1873-Z Retail/Restaurant/Entertainment



SITE PLAN:

Retail/Restaurant/Entertainment Node – Lot 2, Block A, 1.9 ac.

- Intended to support a minimum of 25,000 SF of future retail, restaurant, and entertainment-oriented uses situated within integrated civic space and pedestrian pathways. Provides pedestrian, fire, and utility access for the project.

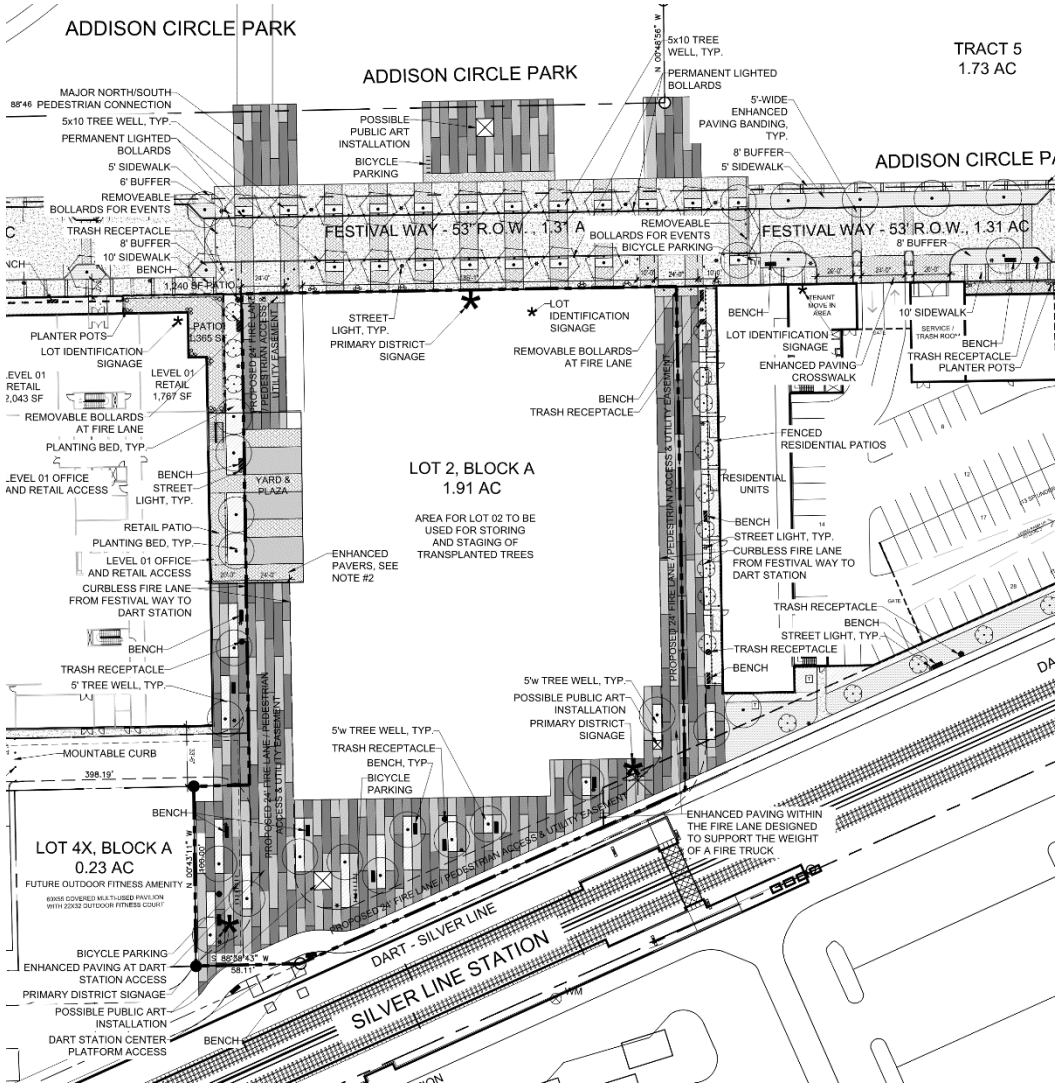
Festival Way Streetscape Improvements.

- New streetscape on Festival Way, adjacent to Lot 2, including raised, curbless street and removal of on-street parking.

Parking & Site Access

- No vehicular access on Lot 2. Parking will be provided within the adjacent public parking garage. Based upon parking study, final quantity and operations to be negotiated and included in the definitive agreements with Co-Developers.

Case 1873-Z Retail/Restaurant/Entertainment



LANDSCAPE PLAN:

Street Trees

- New street trees at Festival Way frontage comprising mix of transplanted trees

Base Landscape

- New planting areas throughout the pedestrian access path around the perimeter

Special Paving Treatments

- Special paving employed at perimeter of Lot 2 for pedestrian access path, at cross walks, and throughout raised, curbless section of Festival Way

Street Furnishings

- Final design to be completed with civil plan review

Case 1873-Z Retail/Restaurant/Entertainment



OTHER ZONING COMPLIANCE CONSIDERATIONS:

Development Standards
- Future plans will be evaluated for compliance

Facade
- To be negotiated and included in the definitive agreements with Co-Developers

Sustainability
- To be negotiated and included in the definitive agreements with the Co-Developers;
  - LEED certification
  - Electric vehicle charging stations

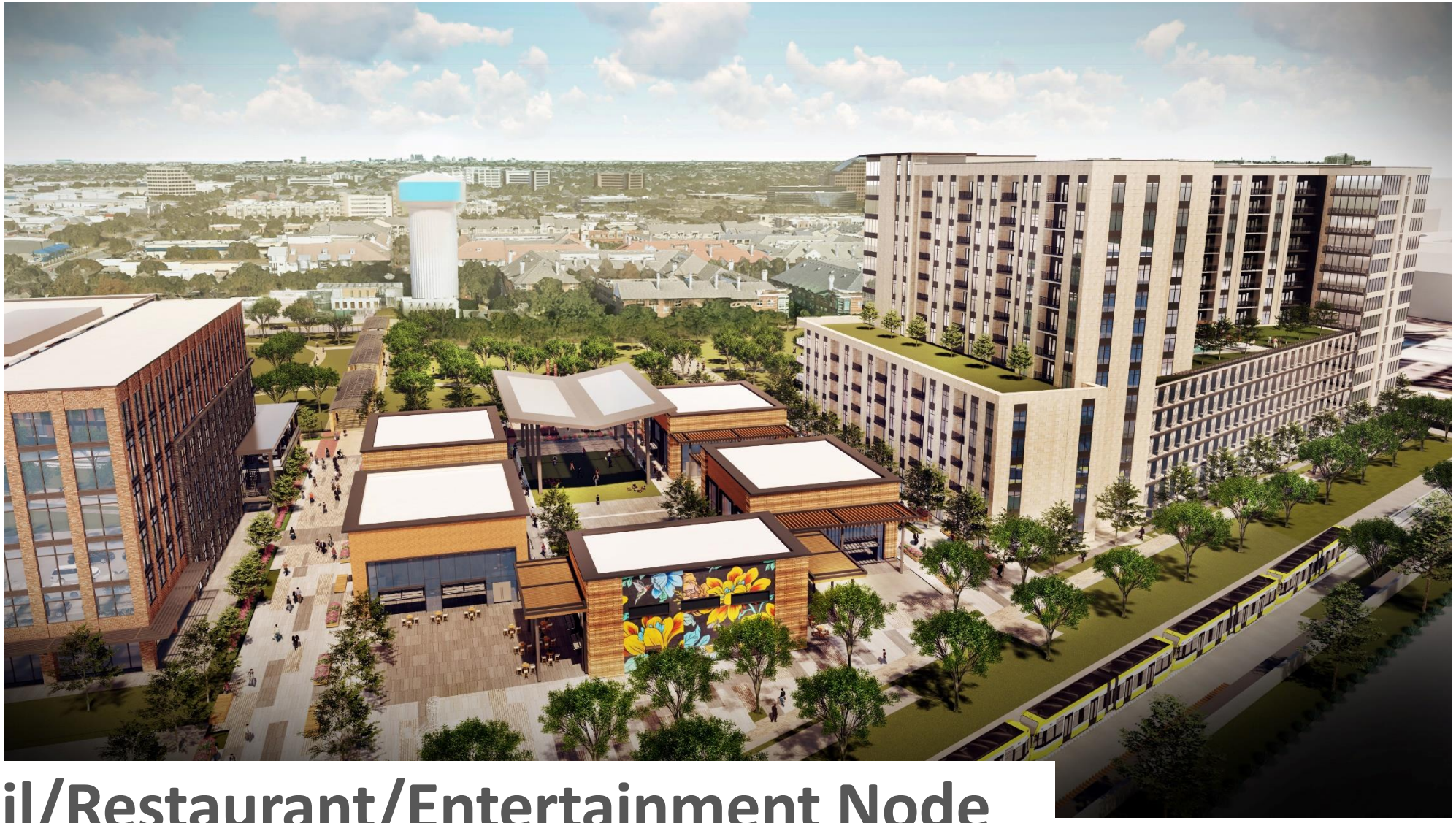
Public Art
- Defined contribution to be negotiated and included in the definitive agreements with the Co-Developers

Case 1873-Z Retail/Restaurant/Entertainment



Proposed Development Character

Case 1873-Z Retail/Restaurant/Entertainment



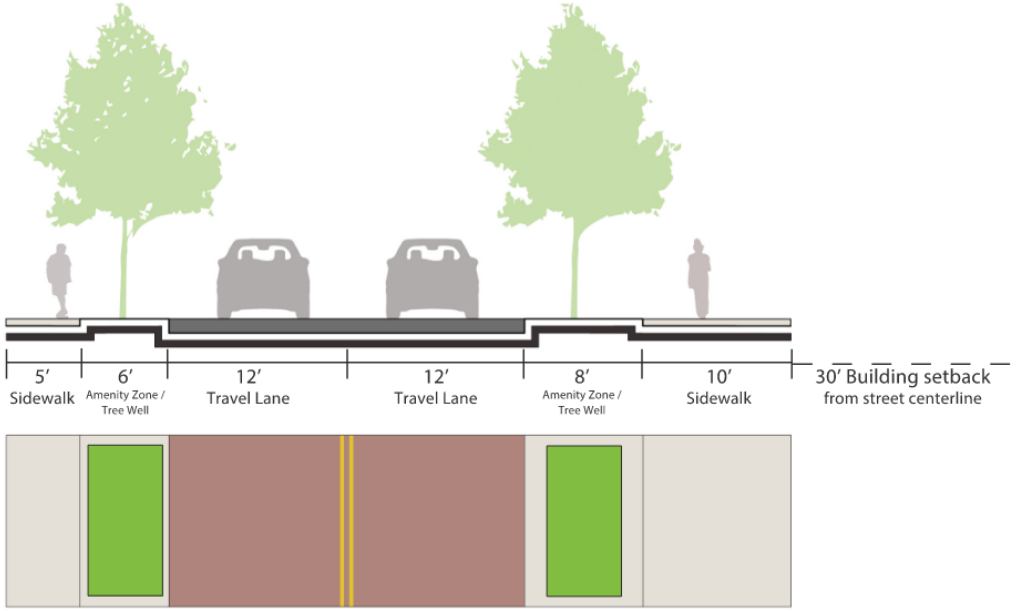
Retail/Restaurant/Entertainment Node

Case 1873-Z Retail/Restaurant/Entertainment



Pedestrian Pathway

Case 1873-Z Retail/Restaurant/Entertainment





Master Streetscape Plan – Festival Way

(Adjacent to Lot 2, Block A – Retail/Restaurant/Entertainment Node)

Case 1873-Z Retail/Restaurant/Entertainment

PUBLIC NOTICE:

Notice of public hearing was provided to property owners within 200 feet of the subject property in accordance with Town and State law.

NOTICE RECIPIENTS: 7.

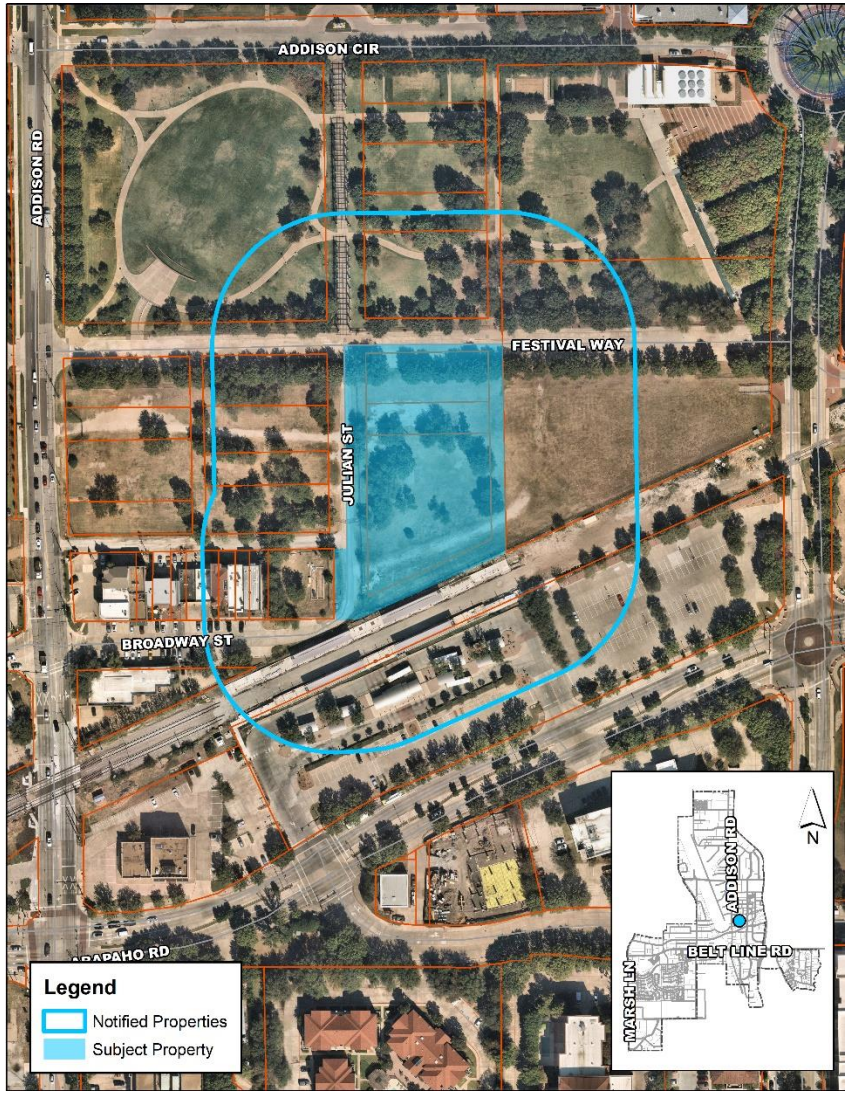
FOR: 0.
AGAINST: 0.
NEUTRAL: 0.

ADDITIONAL FEEDBACK RECEIVED:

N/A.

PLANNING & ZONING COMMISSION ACTION:

Approval: 7-0



Case 1873-Z Retail/Restaurant/Entertainment

RECOMMENDATION:

Staff recommends **approval with conditions:**

- Additional development plans are required in the future to initiate the buildout of this lot.
- Final public and private landscape and street furnishing design to be completed during civil plan review.
- The final quantity of parking spaces and operation of the public parking structure is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.
- Building permit approval is subject to compliance with FAA Part 77 review for building height.
- Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by the definitive agreements between the Town and Co-Developers.

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS, PROVIDING FOR APPROVAL OF A DEVELOPMENT PLAN ON LOT 2, BLOCK A, ADDISON CIRCLE STATION – PHASE 1, PART OF A PLANNED DEVELOPMENT (PD) ZONING DISTRICT (O23-____), AND SITUATED ON 1.9± ACRES GENERALLY LOCATED SOUTH OF FESTIVAL WAY AND 400 FEET WEST OF QUORUM DRIVE, TO ALLOW FOR THE CONSTRUCTION OF EMERGENCY ACCESS DRIVES, PEDESTRIAN WAYS, AND FESTIVAL WAY STREETSCAPE IMPROVEMENTS ON AND ADJACENT TO LOT 2, BLOCK A; PROVIDING A PENALTY NOT TO EXCEED TWO THOUSAND AND NO/100 DOLLARS ($2,000.00); PROVIDING FOR SAVINGS, NO SEVERABILITY, AND AN EFFECTIVE DATE.

WHEREAS, at its regular meeting held on January 17, 2023 the Planning & Zoning Commission considered and made recommendations on Case No. 1873-Z, being a request to approve a Development Plan (defined herein below) for Lot 2, Block A, Addison Circle Station – Phase I, comprising 1.9± acres generally located south of Festival Way and 400 feet west of Quorum Drive (the "Subject Property"), to allow for the construction of emergency access drives, pedestrian ways, and Festival Way streetscape improvements on and adjacent to Lot 2, Block A; and

WHEREAS, Planned Development (PD) District O23-_____ (the "PD Ordinance"), requires approval of the Development Plan (defined herein) prior to the issuance of a building permit for the Subject Property; 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 approval of this Development Plan 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. The Subject Property shall be improved in accordance with the Development Plan, which is comprised of a site plan and landscape plan (the "Development Plan"), which is attached hereto as **Exhibit A** and made a part hereof for all purposes, subject to the following conditions:

A. Additional development plans are required in the future to initiate the final buildout of this lot.

B. Final public and private landscape and streetscape design shall be completed prior to the issuance of a permit for the construction of site infrastructure.

C. The final quantity of parking spaces, operation of the public parking structure, and retail parking accommodations in the public parking structures will be determined subject to and following completion of a parking study and as provided in the Definitive Agreements.

D. Developer shall provide the Town evidence of compliance with FAA Part 77 building height review prior to issuance of a building permit for the Subject Property.

E. Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be required components of the Project, which will be further defined in the Definitive Agreements (as defined in the PD Ordinance).

SECTION 3. 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, Section 1-7 of the Code of Ordinances for the Town of Addison.

SECTION 4. The provisions of this Ordinance are severable, and should any section, subsection, paragraph, sentence, phrase or word of this Ordinance, or application thereof to any person, firm, corporation or other business entity or any circumstance, be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of the remaining or other parts or portions of this Ordinance, and the City Council hereby declares that it would have passed such remaining parts or portions of this Ordinance despite such unconstitutionality, illegality, or invalidity, which remaining portions shall remain in full force and effect.

SECTION 5. 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. 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.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas, on this the ***13TH*** day of **FEBRUARY** ***2023.***

TOWN OF ADDISON, TEXAS

_____

Joe Chow, Mayor

ATTEST:

Irma Parker, City Secretary

APPROVED AS TO FORM:

Whitt Wyatt, City Attorney

Exhibit A

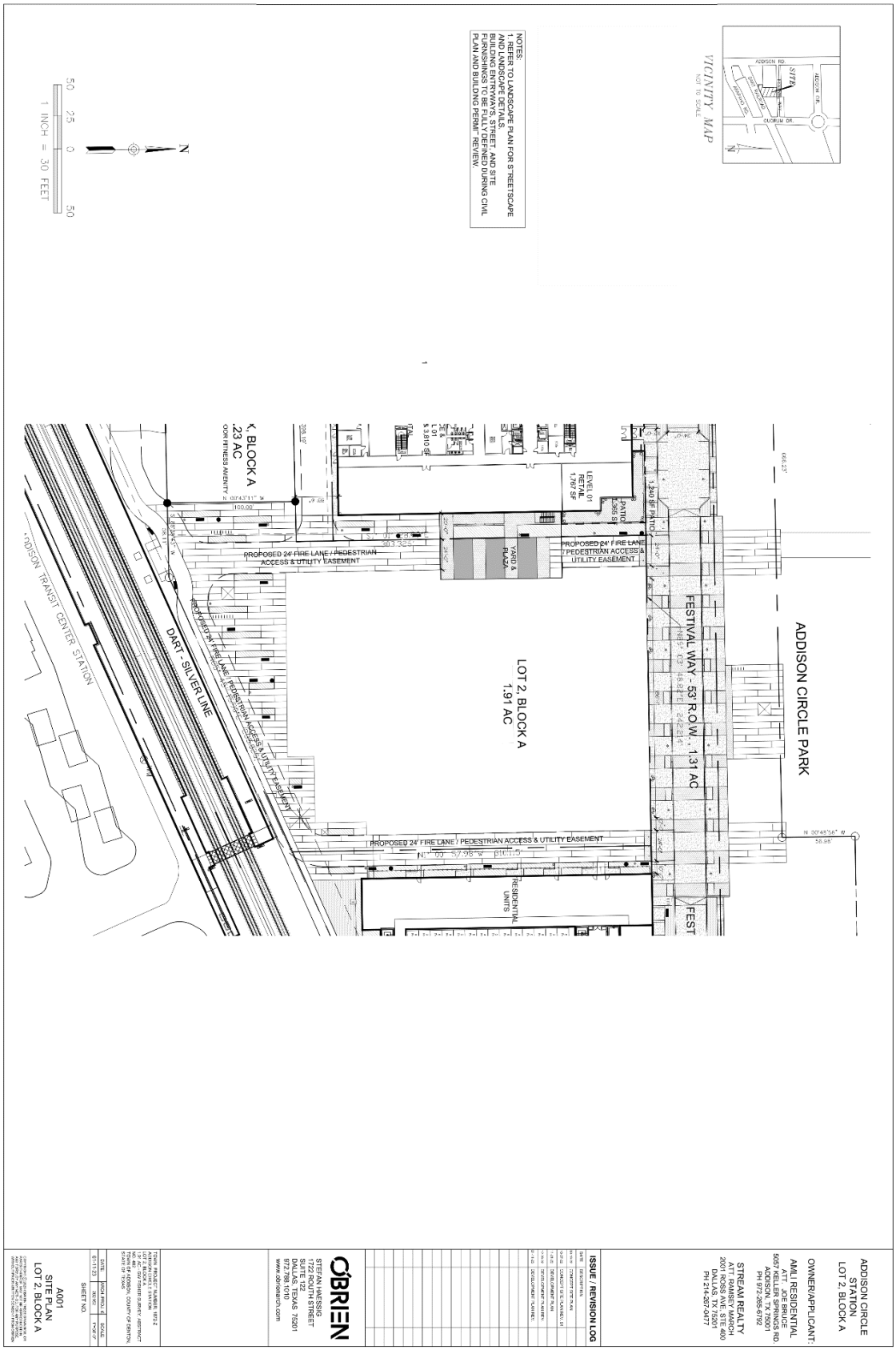
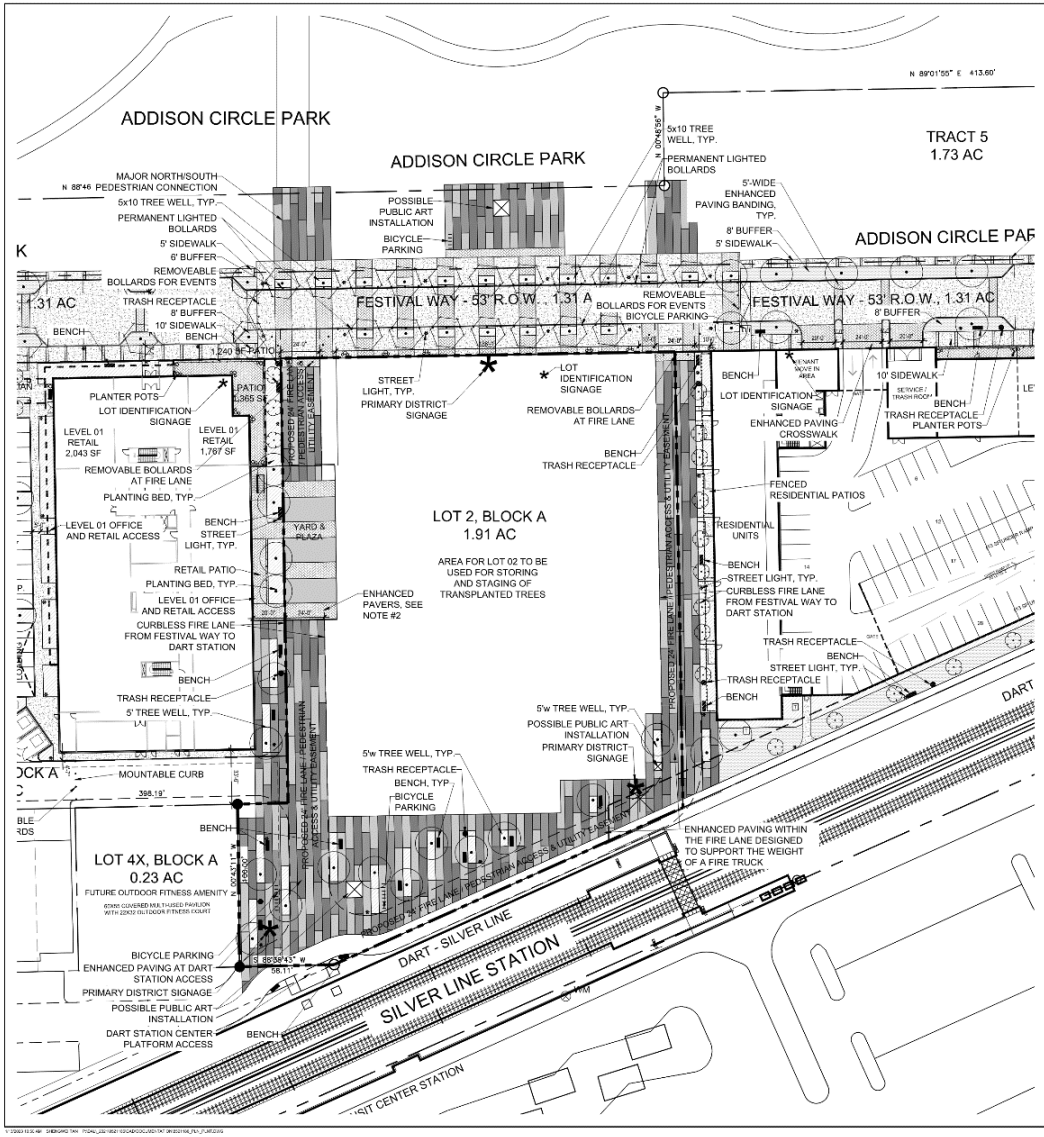
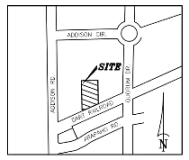

ADDISON CIRCLE PARK
FESTIVAL WAY - 53' R.O.W. - 1.31 AC
LOT 2, BLOCK A
1.91 AC
DART - SILVER LINE
ADDISON TRANSIT CENTER STATION
PROPOSED 24' FIRE LANE / PEDESTRIAN ACCESS & UTILITY EASEMENT
RESIDENTIAL UNITS
LEVEL 01 RETAIL 1,767 SF
1,240 SF PATIO
YARD & PLAZA
VICINITY MAP
NOTES:
1. REFER TO LANDSCAPE PLAN FOR STREETSCAPE AND LANDSCAPE DETAILS.
BUILDING ENTRYWAYS, STREET, AND SITE FURNISHINGS TO BE FULLY DEFINED DURING CIVIL PLAN AND BUILDING PERMIT REVIEW
1 INCH = 30 FEET
ADDISON CIRCLE STATION
LOT 2, BLOCK A
OWNER/APPLICANT:
AMLI RESIDENTIAL
ATT: JOE BRUCE
5057 KELLER SPRINGS RD.
ADDISON, TX 75001
PH 972.268-9702
STREAM REALTY
ATT: RAMSEY MARCH
2001 ROSS AVENUE, SUITE 400
DALLAS, TX 75201
PH 214-257-0477
ISSUE / REVISION LOG
O'BRIEN
STEFAN HESSIG
17776 PRESTON ROAD
SUITE 122
DALLAS, TEXAS 75201
P (972) 788-1001
www.obrienatx.com
A001
SITE PLAN
LOT 2, BLOCK A

Exhibit A





VICINITY MAP
NOT TO SCALE

NOTES:

1. PATIOS, PLANT MATERIAL, AND PAVING ENHANCEMENTS ARE PROPOSED AND SUBJECT TO ADJUSTMENT TO ACCOUNT FOR ARCHITECTURAL REVISIONS AND FEATURES. ADDITIONAL INFORMATION IS PROVIDED RELATIVE TO ARCHITECTURAL FEATURES, BUILDING FOOTPRINT, AND WILL CONTINUE TO BE REVISED TO ACCOMMODATE THESE REVISIONS.
2. ENHANCED PAVING TO BE BRICK PAVERS, CONCRETE PAVERS, AND/ OR STAMPED AND STAINED CONCRETE. FINAL DETERMINATION OF PAVING MATERIAL SHOULD BE DETERMINED AT PERMIT PHASE

PRELIMINARY PLANT SCHEDULE SCHDULE

	SHADE TREE 4x4 CAL. SIZE	32
	ORNAMENTAL/EVERGREEN TREE	17
	TRANSPLANTED TREE	21
	SHRUB/GROUND COVER	6,233 sf
	SOD	8,150 sf
	EXISTING TREES TO REMAIN	

LOT 2 TOTAL LANDSCAPE AREA = 1,387 SF

TEXAS811
CALL BEFORE YOU DIG!
TEXAS ONE-CALL CENTER
IT'S THE LAW!

LandDesign.
5301 ALPHA ROAD, SUITE 24
DALLAS, TX 75240
214.780.6300
WWW.LANDDESIGN.COM

PRELIMINARY
FOR REVIEW PURPOSES ONLY AND SHALL NOT BE USED FOR BIDDING, PERMITTING, OR CONSTRUCTION.

C. Heth Kendrick
Registered Landscape Architect of the State of TEXAS
Registration Number: 2948

PROJECT
ADDISON CIRCLE STATION PHASE I

AMLI RESIDENTIAL
ADDISON, TX

LANDDESIGN PROJ.
8521186

REVISION / ISSUANCE

NO.	DESCRIPTION	DATE
	TOWN REVISIONS	11.16.2022
	TOWN REVISIONS	12.29.2022
	TOWN REVISIONS	01.13.2023

DESIGNED BY: XX
DRAWN BY: XX
CHECKED BY: XX

SCALE: NORTH
VERT: N/A
HORZ: 1"=30'
0 15 30 60

SHEET TITLE
LOT 02, BLOCK A
LANDSCAPE PLAN

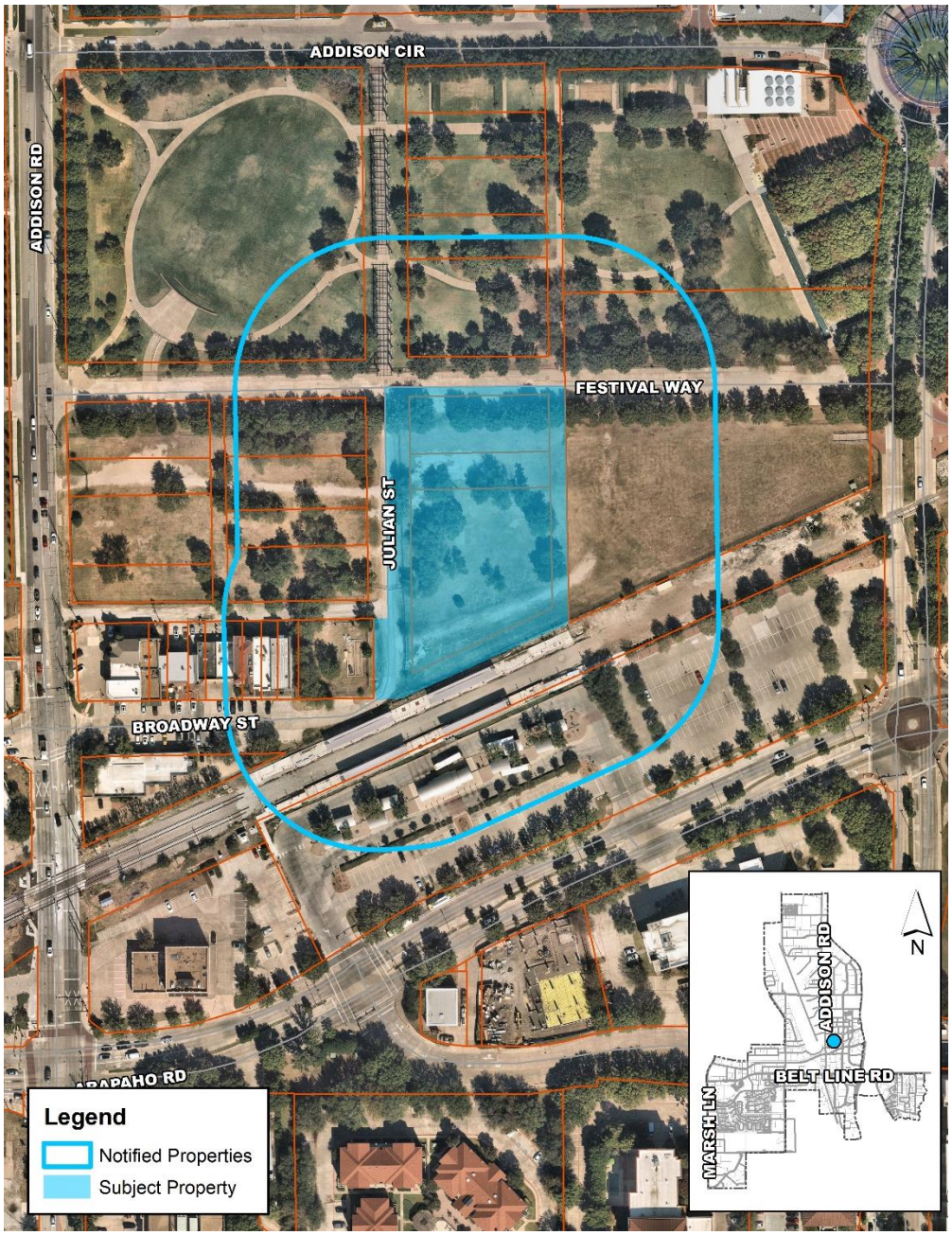
SHEET NUMBER
L6-20

Town of Addison, Texas
Ordinance No.
Case No. 1873-Z/Retail Node, Lot 2, Block A, Addison Circle Station – Phase I

1873-Z

PUBLIC HEARING Case 1873-Z/Retail Node, Lot 2, Block A, Addison Circle Station – Phase I. Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance Adopting a Development Plan for Lot 2, Block A of Addison Circle Station – Phase I, Including a Site Plan and Landscape Plan for the construction of Emergency Access Drives, Pedestrian Ways, and Festival Way Streetscape Improvements on and adjacent to a 1.9 Acre Property generally located South of Festival Way and 400 Feet West of Quorum Drive.

LOCATION MAP



January 17, 2023

STAFF REPORT

RE:	1873-Z/ Retail Node, Lot 2, Block A, Addison Circle Station – Phase I
LOCATION:	1.9 acres generally located south of Festival Way and 400 feet west of Quorum Drive
REQUEST:	Development Plan Approval for Lot 2, Block A of Addison Circle Station – Phase I. (Application Date: 11/21/2022)
APPLICANT:	Joe Bruce, AMLI Development Company, and the Town of Addison

DISCUSSION:

Background: The proposed 1.9 acre Lot 2, Block A is intended to support a minimum of 25,000 square feet of building floor area in the future, supporting food, retail, and entertainment-oriented uses integrated with and organized around an intimate civic space and pedestrian paths that visually and physically connect with Festival Way, Addison Circle Park, and the Silver Line Station. This concept also envisions the opportunity for an additional 5,500 square feet of building floor area to frame and activate the northern edge of Addison Circle Park, allowing for a very pedestrian focused treatment of Festival Way at this focal point of the development.

The Planned Development (PD) zoning process in Addison is a two-step process. The first step, which will be addressed through the consideration of Rezoning Request, Case 1860-Z, includes initial rezoning, and adoption of an associated concept plan and development standards. With this request, the Town and Co-Developers are proceeding with the second step of the PD zoning process, Development Plan approval. Any action taken on this request is subject to approval of and any applicable conditions applied to Rezoning Request, Case 1860-Z.

Proposed Plan: The development plans include the site plan and landscape plan for the first phase of site improvements within Lot 2. At this time, the approval of a fire lane and easements are necessary to ensure the remainder of the project meets applicable codes and ordinances. Additionally, this plan also addresses improvements to the Festival Way streetscape.

In accordance with the MOU, the Co-Developers will partner with an additional developer/operator in the future to advance additional development plans initiating the buildout of this lot while the residential construction is still underway.

Staff Review: The purpose of this review is to determine compliance with the concept plan, development standards, and any associated conditions presented by the Planning & Zoning Commission's review of Case 1860-Z.

Use: The applicant is proposing a 24-foot fire lane, pedestrian access, and utility easement along the east, west, and south property boundaries. Pedestrian and landscape improvements are also proposed at the perimeter of the site. **The proposed uses comply with the permitted uses presented by Rezoning Request, Case 1860-Z.**

Concept Plan and Development Standards:

Landscape and Public Open Space: The proposed landscape plan has accommodated street trees and planting zones as required by the Streetscape Master Plan, through preservation and transplanting of existing trees, and planting new trees. The plan accommodates appropriate landscape treatments to applicable common areas and public open space and includes needed street furnishings such as benches, trash receptacles, streetlights, and bicycle parking, with final design of these very detailed elements to be refined during civil plan review.

Streetscape Standards and Pavement Treatments: The proposed site plan achieves the required sidewalk clear widths of 10 feet on Festival Way. Special paving treatments are appropriately applied throughout the streetscape and at pedestrian crosswalks.

Retail/Restaurant/Entertainment Node Form Standards: Future façade plans will be evaluated for compliance with all applicable form standards.

Parking: There is no vehicular access on Lot 2. The proposed 662 parking spaces provided within the adjacent public parking garage will provide retail parking. The final quantity of parking spaces and operation of the parking structure is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.

Façade: Future façade plans will be subject to any negotiated conditions included in the definitive agreements between the Town and Co-Developers.

Mechanical Equipment and Solid Waste: Future façade plans must depict all proposed mechanical equipment as being roof-mounted and appropriately screened. Solid waste and recycling facilities shall be situated within a building or within a masonry dumpster enclosure at least 200 feet from public streets, or screened by buildings from view from a public street.

Sustainability: Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by the definitive agreements between the Town and Co-Developers.

The proposed site, landscape and building design complies with the concept plan and development standards presented by Rezoning Request, Case 1860-Z.

RECOMMENDATION: **APPROVAL WITH CONDITIONS**

Staff has reviewed the Development Plan and determined it to be in compliance with the concept plan and development standards prescribed by Rezoning Request, Case 1860-Z.

Staff recommends approval of the request subject to the following conditions:

- additional development plans are required in the future to initiate the buildout of this lot.
- Final public and private landscape and street furnishing design to be completed during civil plan review.
- The final quantity of parking spaces and operation of the public parking structure is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.
- Building permit approval is subject to compliance with FAA Part 77 review for building height.
- Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by a future development agreement between the Town and Co-Developers.

Case 1873-Z/ Retail Node, Lot 2, Block A, Addison Circle Station – Phase I

January 17, 2023

COMMISSION FINDINGS:

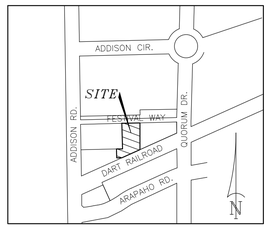
The Addison Planning and Zoning Commission, meeting in regular session on January 17, 2023, voted to recommend approval of an Ordinance Adopting a Development Plan for Lot 2, Block A of Addison Circle Station – Phase I, including a Site Plan and Landscape Plan for the construction of Emergency Access Drives, Pedestrian Ways, and Festival Way Streetscape Improvements on and adjacent to a 1.9 Acre Property generally located South of Festival Way and 400 Feet West of Quorum Drive, and situated within a proposed Planned Development (PD) District (Case #1860-Z), subject to the following conditions:

- Additional development plans are required in the future to initiate the buildout of this lot.
- Final public and private landscape and street furnishing design to be completed during civil plan review.
- The final quantity of parking spaces and operation of the public parking structure is subject to completion of a parking study and execution of definitive agreements between the Town and Co-Developers.
- Building permit approval is subject to compliance with FAA Part 77 review for building height.
- Required sustainability features such as LEED compliance, electric vehicle charging stations, and public art will be fully defined by the definitive agreements between the Town and Co-Developers.

Voting Aye: Branson, Catalani, Craig, Faircloth, Fansler, Souers, DeFrancisco
Voting Nay: none
Absent: none

SPEAKERS AT THE PUBLIC HEARING:

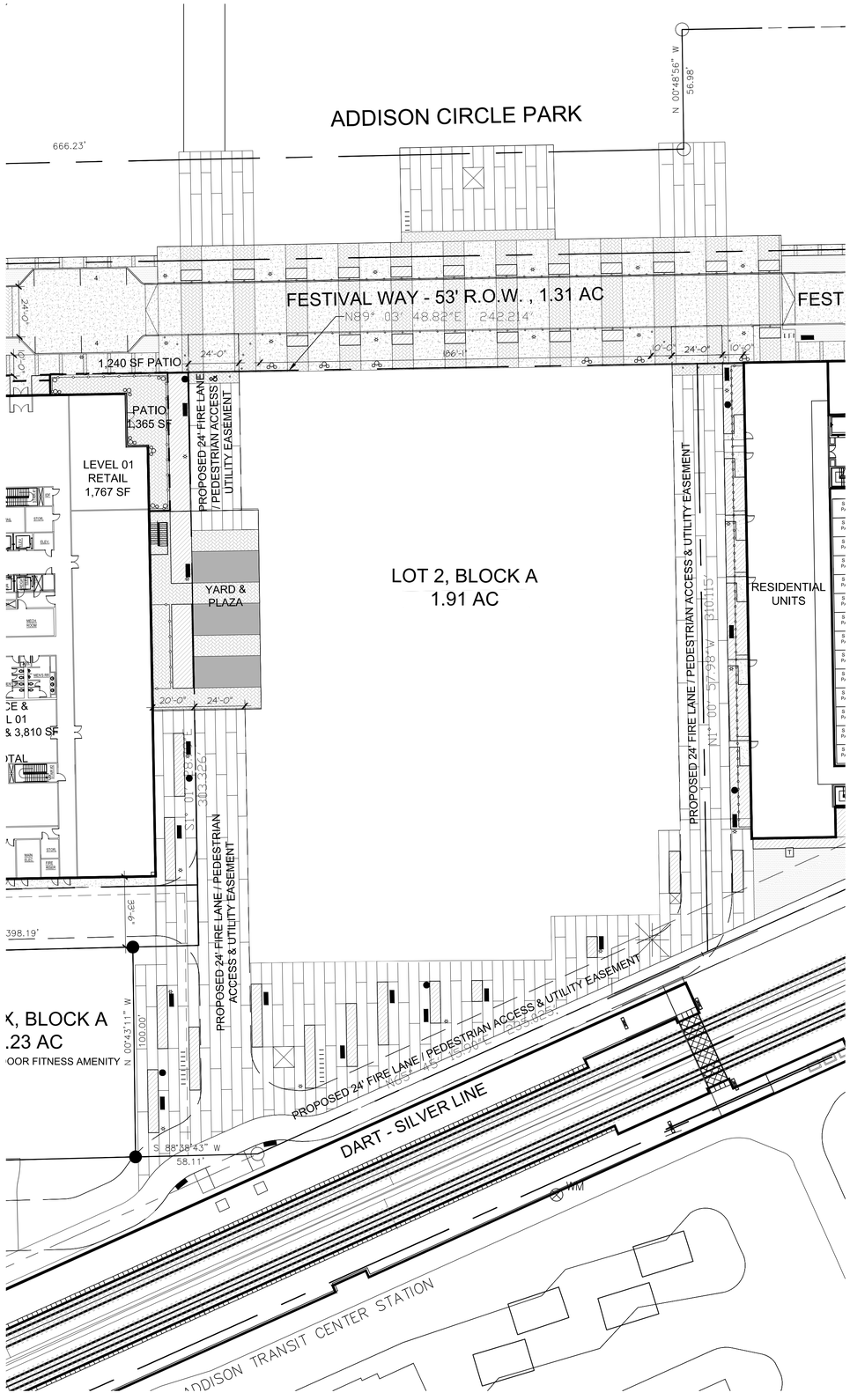
For: none
On: none
Against: none

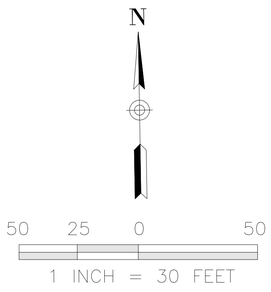


VICINITY MAP
NOT TO SCALE

NOTES:
1. REFER TO LANDSCAPE PLAN FOR STREETSCAPE AND LANDSCAPE DETAILS.
BUILDING ENTRYWAYS, STREET, AND SITE FURNISHINGS TO BE FULLY DEFINED DURING CIVIL PLAN AND BUILDING PERMIT REVIEW.

1





ADDISON CIRCLE
STATION
LOT 2, BLOCK A

OWNER/APPLICANT:

AMLI RESIDENTIAL
ATT. JOE BRUCE
5057 KELLER SPRINGS RD.
ADDISON, TX 75001
PH 972-265-6792

STREAM REALTY
ATT. RAMSEY MARCH
2001 ROSS AVE, STE 400
DALLAS, TX 75201
PH 214-267-0477

ISSUE / REVISION LOG

DATE	DESCRIPTION	
08-19-22	CONCEPT SITE PLAN	
10-07-22	CONCEPT SITE PLAN REV. 01	
11-21-22	DEVELOPMENT PLAN	
12-29-22	DEVELOPMENT PLAN REV.	
01-11-23	DEVELOPMENT PLAN REV.	

OBRIEN
STEFAN HAESSIG
1722 ROUTH STREET
SUITE 122
DALLAS, TEXAS 75201
972.788.1010
www.obrienarch.com

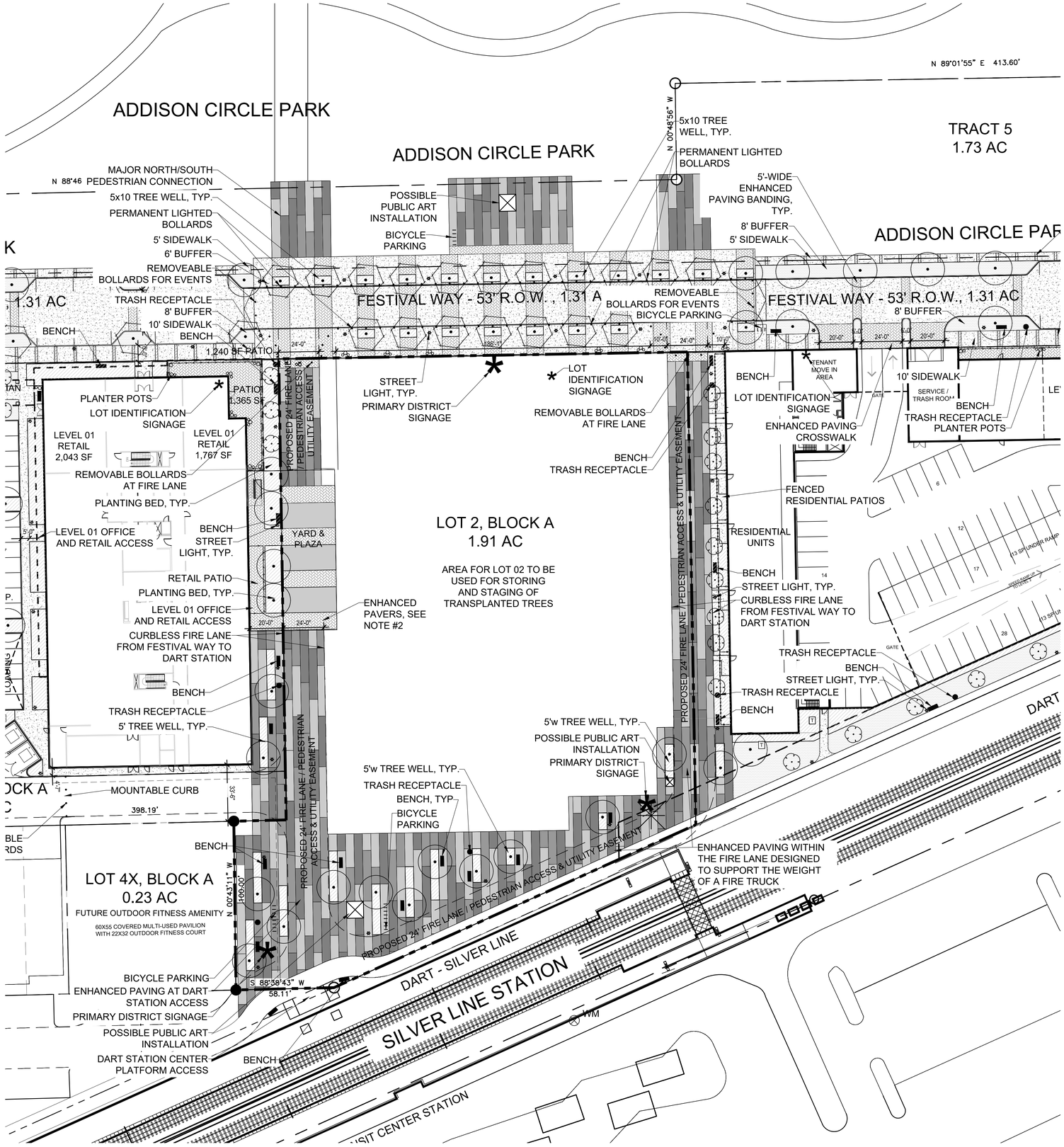
TOWN PROJECT NUMBER: 1872-Z
ADDISON CIRCLE STATION
LOT 2, BLOCK A
1.91 AC - GW FISHER SURVEY, ABSTRACT NO. 482
TOWN OF ADDISON, COUNTY OF DENTON, STATE OF TEXAS

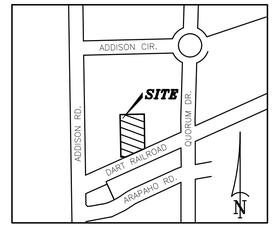
DATE:	ARCH. PROJ. #:	SCALE:
01-11-23	202162	1"=30'-0"

SHEET NO.

A001
SITE PLAN
LOT 2, BLOCK A

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VICINITY MAP
NOT TO SCALE

NOTES:

1. PATIOS, PLANT MATERIAL, AND PAVING ENHANCEMENTS ARE PROPOSED AND SUBJECT TO ADJUSTMENT TO ACCOUNT FOR ARCHITECTURAL REVISIONS AND FEATURES. AS ADDITIONAL INFORMATION IS PROVIDED RELATED TO ARCHITECTURAL FEATURES, THE LANDSCAPE DESIGN WILL CONTINUE TO BE REVISED TO ACCOMMODATE THESE REVISIONS.
2. ENHANCED PAVING TO BE BRICK PAVERS, CONCRETE PAVERS, AND/ OR STAMPED AND STAINED CONCRETE. FINAL DETERMINATION OF PAVING MATERIAL SHOULD BE DETERMINED AT PERMIT PHASE

PRELIMINARY PLANT SCHEDULE SCHDULE

	SHADE TREE 6-8" CAL. SIZE -	32
	ORNAMENTAL/EVERGREEN TREE -	17
	TRANSPLANTED TREE -	21
	SHRUB/GROUND COVER -	6,233 sf
	SOD -	8,180 sf
	EXISTING TREES TO REMAIN	

LOT 2 TOTAL LANDSCAPE AREA = 1,357 SF

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DALLAS, TX 75240
214.785.6009
WWW.LANDDESIGN.COM

KEY MAP

SEAL

PRELIMINARY
FOR REVIEW PURPOSES ONLY AND SHALL NOT BE USED FOR BIDDING, PERMITTING, OR CONSTRUCTION.

C. Heth Kendrick
Registered Landscape Architect of the State of TEXAS
Registration Number: 2948

PROJECT

ADDISON CIRCLE STATION PHASE I

AMLI RESIDENTIAL

ADDISON, TX

LANDDESIGN PROJ.#
8521186

REVISION / ISSUANCE

NO.	DESCRIPTION	DATE
	TOWN REVISIONS	11.18.2022
	TOWN REVISIONS	12.29.2022
	TOWN REVISIONS	01.13.2023

DESIGNED BY: XX
DRAWN BY: XX
CHECKED BY: XX

SCALE
VERT: N/A
HORZ: 1"=30'
0 15' 30' 60'

NORTH

SHEET TITLE
LOT 02, BLOCK A
LANDSCAPE PLAN

SHEET NUMBER
L6-20