



**REGULAR MEETING
OF THE CITY COUNCIL**

February 28, 2023

ADDISON TREEHOUSE

14681 MIDWAY RD. SUITE 200, ADDISON, TX 75001

5:30 PM WORK SESSION

7:30 PM REGULAR MEETING

Notice is hereby given that the Addison City Council will conduct a Regular Meeting on Tuesday, February 28, 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 Housing Community Meeting Follow Up.
2. Discuss an Apartment Outreach Program.
3. Present and Discuss Ownership Housing Builder/Developer Outreach Results.

4. Present and Discuss the **Planning and Zoning Commission Annual Report for Calendar Year 2022.**
5. Present and Discuss the **Format for the Town Meeting on April 3, 2023.**
6. Present and Discuss the **DART Service Area City Distribution.**
7. Present and Discuss the **Finance Department Quarterly Financial Report of the Town of Addison for the Fiscal Year 2023 First Quarter Ended December 31, 2022.**

REGULAR MEETING

Announcements and Acknowledgments Regarding Town and Council Events and Activities

- Board Member Recognitions
 - Nancy Craig, Planning and Zoning Commission
 - Stephanie Baim, Community Partners Bureau

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.

8. Consider Action on the Minutes from the February 13, 2023 City Council Meeting.
9. Consider Action on a Resolution Approving a Developer's Agreement Between the Town of Addison and COG Dallas Homes III, LLC for the Addison Reserve Townhomes Development Project and Authorizing the City Manager to Execute the Developer's Agreement.
10. Consider Action on a Resolution for an Interlocal Agreement with Dallas Area Rapid Transit for Public Transportation Improvements and Authorize the City Manager to Execute the Agreement.
11. Consider Action on a Resolution Approving a Lease Agreement Between the Town of Addison and Kennington Parkway, Ltd. for the Property Located at 4950 Keller Springs Road Suite 200, Addison, Texas and Authorizing the City Manager to Execute the Agreement.
12. Consider Action on a Resolution Approving an Office Lease Agreement Between the Town of Addison and Kennington Commercial, at 4950 Keller Springs Road Suite 155, Addison, Texas for the Animal Control Office and Authorizing the City Manager to Execute the Agreement.
13. Consider Action on a Resolution Approving the Purchase of Three Vehicles for the Addison Police Department and Authorizing the City Manager to Execute the Purchase Agreements in an Amount Not to Exceed \$166,248.60.
14. Consider Action on a Resolution Approving an Agreement with SRH Landscapes, LLC for Parks and Airport Properties and Right of Way Maintenance; and, Authorizing the City Manager to Execute the Agreement in an Amount Not to Exceed \$184,370.

Regular Items

15. Present, Discuss, and Consider Action on an Ordinance Amending Chapter 58, Parks and Recreation, Article III, Addison Athletic Club, by Amending and Restating Sections 58-66 in its Entirety.
16. Present, Discuss, and Consider Action on an Ordinance Amending Chapter 54, Article III of the Code of Ordinances by Adding a New Article IV Entitled Possession of Catalytic Converters.
17. Present, Discuss, and Consider Action on a Resolution Accepting Resignation of Place 2 Board of Zoning Adjustment Member and Appoint a New Place 2 Member to fill the Two-Year Unexpired Term Through December 2024.

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: February 23, 2023

TIME POSTED: 5:30 PM

DATE REMOVED FROM BULLETIN BOARD: _____

REMOVED BY: _____

Council Meeting 2023

1.

Meeting Date: 02/28/2023

Department: City Manager

Pillars: Optimize the Addison Brand

AGENDA CAPTION:

Present and Discuss the **Housing Community Meeting Follow Up.**

BACKGROUND:

Town staff will conduct a follow-up discussion of the February 15, 2023 Community Meeting.

RECOMMENDATION:

Staff seeks Council direction.

Council Meeting 2023

2.

Meeting Date: 02/28/2023

Department: City Manager

Pillars: Gold Standard in Customer Service

Milestones: Promote and protect the Addison Way

AGENDA CAPTION:

Discuss an Apartment Outreach Program.

BACKGROUND:

This work session item is being discussed at the request of Deputy Mayor Pro Tempore Ward and Council Member Gardner.

RECOMMENDATION:

Staff seeks Council direction.

Council Meeting 2023

3.

Meeting Date: 02/28/2023

Department: City Manager

Pillars: Gold Standard in Customer Service

Milestones: Promote and protect the Addison Way

AGENDA CAPTION:

Present and Discuss Ownership Housing Builder/Developer Outreach Results.

BACKGROUND:

This work session item is being presented at the request of Council Members Gardner and Resnik. In September 2022, Town staff reached out to thirteen quality residential developers familiar with Addison and the North Texas Region. They were provided with a set of questions to help them understand the topics we wanted to discuss with them. Three developers expressed their interest in meeting with staff and providing responses to the questions we presented. Staff prepared a report that provides key take-aways from these discussions.

RECOMMENDATION:

Staff seeks Council direction.

Attachments

Developer Outreach Summary Document

Ownership Housing Builder/Developer Outreach Results

Background

In Late 2022, Town staff conducted outreach to ownership housing builders and developers to receive feedback on Addison and our capacity to support new ownership housing investment. At that time, staff identified a mix of boutique, regional, and high volume production builders and mixed-use developers that include townhomes in their product inventory.

In total, Town staff reached out to 13 builders/developers and received responses from five groups that were willing to participate. Of those five willing participants, Town staff scheduled and held discussions with four groups, while the fifth group failed to show up for their scheduled zoom call.

This outreach summary comprises feedback from the following developer perspectives:

- Mixed-Use Boutique Developer: This Dallas-based developer pursues a broad range of project types, with a strong focus on urban housing within Dallas' more prominent urban neighborhoods. They have substantial experience developing and partnering on moderately scaled high density townhome and medium density condo flat developments. As the cost to develop housing has increased, they have shifted their focus from ownership housing to urban multifamily rental housing and build-to-rent single-family housing. This developer has not pursued a project in Addison and anticipates remaining largely Dallas-focused.
- Urban Infill Townhome Boutique Builder: This Dallas-based boutique homebuilder pursues urban infill townhome projects in redeveloping districts and corridors. To this point, their focus has been on projects in Dallas, but they are pursuing opportunities within urban neighborhoods and corridors in suburban communities. This builder pursues smaller projects, generally ranging from 6 lots to 60 lots, with 30-45 lots being optimal. This builder does not develop condo flats and does not have any interest in pursuing that housing type at this time. This builder finds Addison to be an attractive market and is pursuing development opportunities in Addison at this time.
- Urban Infill Regional Developer: This Texas-based developer pursues urban infill mixed use projects anchored by housing. This company started with a focus on urban ownership housing, primarily townhomes and detached homes, and has since expanded their focus to include multifamily rental, condos, and neighborhood serving retail. This developer's primary market is Austin, and it maintains a presence in Dallas and several other major metro areas in other states. This developer finds Addison to be an attractive market and is pursuing development opportunities in Addison at this time.
- Publicly Traded Production Builder: This DFW-based developer is a publicly traded volume homebuilder with a substantial presence in Texas and several other states experiencing rapid growth. Their regional focus has been on the development of medium and large scale master planned single-family detached communities in Collin County, and in exurbs such as Waxahachie and Princeton. This builder has several building divisions that include townhomes in their product inventory. One of these divisions is focused on lower density suburban townhome product, while the other division includes medium density urban townhome and detached home product. This builder does not develop condos or any form of rental housing. This developer has not pursued projects in Addison largely due to the opportunity cost resulting from the effort needed to acquire

and assemble land in Addison that is in comparison, much smaller in scale than what they are achieving in communities with available vacant land.

Key Discussion Outcomes

Target Demographics

For the three builders/developers that primarily focus on urban neighborhoods, their market and typical homebuyer will typically be a first-time homebuyer. These homebuyers are frequently dual income and have yet to have kids, and include a mix of current residents of the region and people relocating from other parts of Texas and other states. These homebuyers are typically seeking affordable, low maintenance housing that is in close proximity to amenities such as parks, trails, and desirable retail. School district ratings is less of a concern for these homebuyers as they have often not reached the stage in their life where they have school-aged children.

For the publicly traded production builder that primarily works in more suburban contexts, these trends also apply, but they also frequently find that single parents find their townhome options to be attractive. In those cases, school district considerations may be more important to the homebuyer.

Developer Locational Preferences

For the three builders/developers that primarily focus on urban neighborhoods, their focus is on emerging and established neighborhoods that are transitioning to a more urban, walkable context. They typically like to achieve projects early in the evolution of these neighborhoods, but they are less comfortable being the pioneer to kick off this evolution. If they see other projects of similar context being successful, they will be more likely to invest in that area, and even more so, if there is an attractive mix of existing and planned amenities in close proximity. These developers are comfortable developing adjacent to urban multifamily, single-family (traditional and urban), and neighborhood compatible commercial development. They avoid use, context, and infrastructure adjacencies that may make home sales challenging. Due to the nature of infill and redevelopment in established neighborhoods, these builders primarily pursue smaller ownership housing projects, generally ranging from 20 – 60 lots, and frequently participate as a component of a larger mixed-use project that includes urban multifamily rental housing and neighborhood serving retail.

For the publicly traded production builder that primarily works in more suburban contexts, the use adjacency trends noted above are applicable, however, they are more driven by development size and context. Most of this builder's development has occurred on vacant or underutilized land, with developments ranging from a minimum of 100 lots to over 3,000 lots. Where they have developed their urban townhome and detached home product, they have participated as a component of master planned urban mixed use projects and as infill housing in established and emerging urban neighborhoods. In those cases, those developments have traditionally landed in the 30 – 60 lot size range.

Developer Housing Preferences

For the three builders/developers that primarily focus on urban neighborhoods, ownership townhomes have been one of their most successful product types. Their current preferences include:

- The mixed-use boutique developer has substantial development experience with townhomes but has not pursued an ownership townhome project since 2019. They made this shift towards rental multifamily and rental single-family housing because it was too challenging to develop an economically viable townhome that was financially attainable for their target market. This was driven by rising development costs and process delays in their target market, the City of Dallas.
- The boutique townhome builder primarily builds high-density 3-story townhomes, and far less frequently, they will also develop 3-story high density detached homes. They believe there is market support for similarly situated 2-story housing options; however, most often, the cost to develop at that scale is not viable.
- The urban infill regional developer has historically focused on high density 2 and 3 story townhomes and detached homes. In recent years they have shifted their focus to create medium scale projects inclusive of multifamily rental and/or condos, and at times, neighborhood serving retail.

For the publicly traded production builder, they primarily focus on the development of low and medium density 1-2 story detached homes on 4,000 – 7,000 square foot lots. Their townhomes and urban detached homes are typically 2 stories with limited yard space and served by common amenities.

Of the four builders/developers that staff visited with, none were bullish about condo flat development in the current DFW market, and three of the four are not currently pursuing condo flat development projects. Generally, the builders/developers see potential future viability for condo flats as the region continues to buildout and evolve. The urban infill regional developer does build condos as part of larger mixed-residential/mixed-use projects in urban environments.

Ownership Housing Development Constraints in Addison

The four builder/developers identified the following development constraints for new ownership housing in Addison:

- Availability of Compatible Land: Due to the existing development patterns in Addison, there are very few properties in Addison that are physically compatible and that make sense for economically viable ownership housing. Primary issues include adjacency to incompatible uses (commercial/industrial/warehouse/airport) and frontages on auto-oriented corridors (DNT/Belt Line/Midway).
- Balancing Development Costs with Affordability: The margins are very tight for these projects, as these high density ownership options do not capture the full market for ownership housing. Acquiring vacant land, parking lots, and underutilized land is optimal to reduce development costs. For smaller and medium properties (ideal for these projects), these builders/developers compete with restaurants and other forms of commercial development, which can typically achieve a higher sales price for sellers, and frequently do not require the buyer to pursue rezoning.

Larger land assemblies are typically beyond their desired scale of development and require other development partners (most often urban multifamily) to take the lead. For redevelopment projects, there may be existing infrastructure and environmental constraints that further increase development costs. Maximizing density for the ownership housing is critical to their ability to make these projects economically viable.

- Policy and Regulatory Direction: Under current policy, the Town provides broad support for ownership housing options through the 2017 Housing Policy, but we provide little direction on where ownership housing options are most appropriate. While the Town has a very strong record of approving ownership housing proposals that are presented by developers, providing more targeted policy direction would be beneficial.

Potential Strategies to Increase Ownership Housing Options in Addison

The four builder/developers identified and/or provided feedback on potential strategies to increase ownership housing options in Addison. Some of these ideas were shared by staff and some were shared by the builders/developers. These include:

- Targeted Outreach to the Broker Community: Builders/developers frequently find out about the availability of properties through the brokerage community in DFW. With most properties entering the market in Addison being oriented towards commercial use, ownership housing may not always be top of mind for the brokers that are marketing these properties. Conducting outreach to these brokers regarding the Town's desires for ownership housing may lead to expanded opportunity for ownership housing builders/developers.
- Policy and Regulatory Improvements: As noted above, there is opportunity to provide additional clarity in the Town's long range planning policies to identify locations in Town where ownership housing is most appropriate. Additionally, there is opportunity to shape policies related to commercial parking requirements to allow underutilized surface parking lots to be partially redeveloped to allow for more economically viable ownership housing. Additional tools such as an overlay district targeting ownership housing could be created to grant "by right" opportunities for new ownership housing. Tools such as this would need to be carefully crafted to ensure development quality would not be degraded.
- Expedited Development Review Process: While concern for duration of the development review process is largely targeted towards the Cities of Dallas and Austin, there are items that can be improved in Addison to reduce costs and to expedite ownership housing projects. These include allowing for less detailed plans in the rezoning process and created more "by right" zoning opportunities as noted above.
- Land Assembly/Acquisition and Cost Participation: Town cost participation is less of a concern for the smaller projects that fall within these builder/developers preferred development scenarios, but larger ambitious projects – similar to Addison Grove – are likely to require subsidy in the form of land acquisition or infrastructure participation.

Council Meeting 2023

4.

Meeting Date: 02/28/2023

Department: Development Services

Pillars: Optimize the Addison Brand

Milestones: Define and promote Addison Identity

AGENDA CAPTION:

Present and Discuss the **Planning and Zoning Commission Annual Report for Calendar Year 2022.**

BACKGROUND:

In accordance with Section 19 (Duties), Article XXIX, Appendix A (Zoning), of the Addison Code of Ordinances, the Planning and Zoning Commission must submit an annual progress report to the City Council. An initial draft of this report was presented to the Commission at their February 21, 2023 Planning & Zoning Commission meeting. During that meeting, the Commission provided feedback on report content and identified goals for the 2023 calendar year.

Current Commission Chair Tom Souers will present the attached report to City Council.

RECOMMENDATION:

Information only, no action required.

Attachments

2022 Planning & Zoning Commission Annual Report

An aerial photograph of a large-scale construction site at dusk. The site is divided into numerous rectangular concrete slabs. Several vehicles, including a red pickup truck, a white sedan, and a black van, are parked on the site. In the background, there are residential houses and a large building with a white dome. The sky is filled with soft, colorful clouds from the setting sun.

Planning & Zoning Commission 2022 Annual Report

Overview

The Planning and Zoning Commission is governed by its adopted Rules, Regulations, and Procedures. These Rules stipulate under Article III, DUTIES OF THE COMMISSION, Paragraph (j) that the Commission shall:

“Submit each year a progress report to the City Council summarizing its activities, major accomplishments for the past year, and a proposed work program for the coming year. The report shall contain for the year the attendance record of all members and the identity of Commission officers.”

This document shall serve as the Commission’s progress report, and the attendance record of all members is included for City Council review and use.

Year in Review

In 2022, the Commission gained a new member in Juli Branson following the resignation of Commission Chair Eileen Resnik, who now serves on the Addison City Council. Subsequently, the Commission appointed Tom Souers to serve as Chair and Chris DeFrancisco to serve as Vice Chair. In May, Lesley Nyp joined Town staff to serve as the Planning and Development Manager. The year concluded with Commissioner John Meleky completing his third and final term on the Commission.

The Commission addressed more technically challenging proposals than it has seen in recent years. This included review and action on the Midway South Special Area Study, as well as several rezoning requests within that study area, which included the Cobalt Homes townhome development and the AMLI Treehouse mixed residential development. The Commission also reviewed and took action on several complex reuse and infill projects in Village on the Parkway, leading to new restaurant, entertainment, office, and retail space in the center.

Commission meeting attendance remained very strong in 2022, with only four absences accrued for the year. The following Commissioners had perfect attendance during their tenure on the Commission in 2022 – Robert Catalani, Juli Branson, Nancy Craig, and Tom Souers. Please see the “2022 Meeting Attendance” exhibits for detailed attendance information for each commissioner.

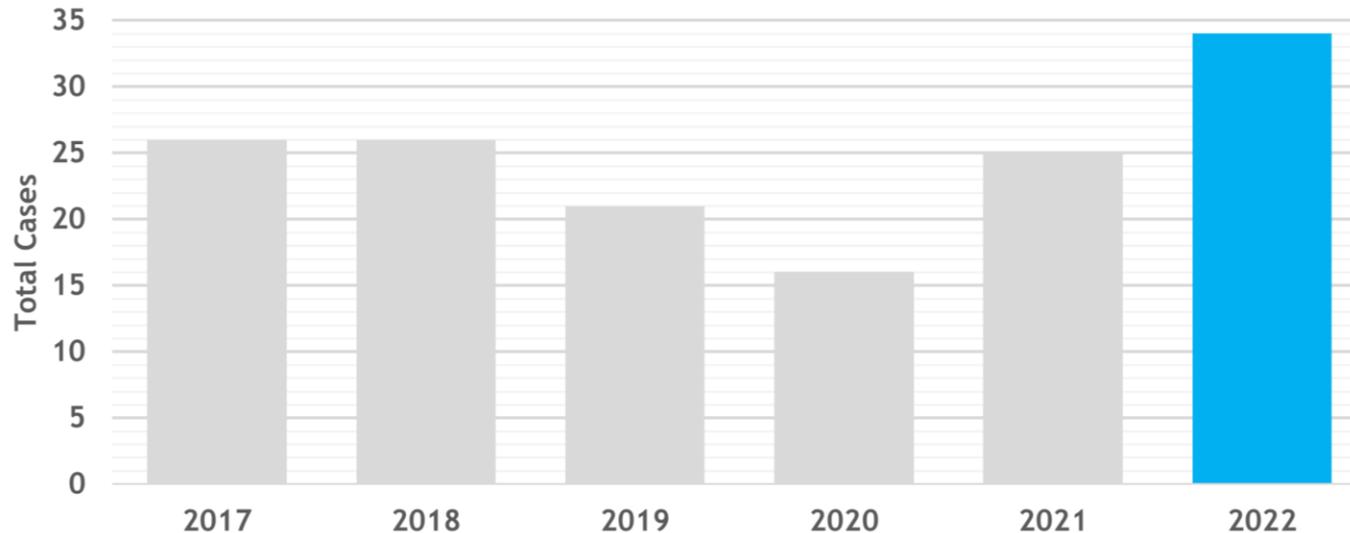
2022 Case Summary

Overall, the Commission experienced an increased workload over previous years. This can largely be attributed to increased redevelopment activity west of Midway Road and at Village on the Parkway.

Over the course of eleven regular meetings held in 2022, the Planning and Zoning Commission reviewed 34 cases. This case load was comprised of the following:

- 13 Rezoning and Development Plan Requests
- 12 Special Use Permit Requests
- 8 Plats
- 1 Long Range Planning Policy (Midway South Special Area Study)

Annual Case Review Summary



As shown in the chart above, the 34 cases reviewed this year reflects a 36 percent increase from the 2021 case load. Please see the “Project Review History” exhibit to view a comparison of the annual case load by project type.

Notable Projects and Development Trends

Several key development trends took shape in 2022. These include:

- **Midway South Special Area Study**

In August, the City Council adopted the Midway South Special Area Study, a long-range planning policy guiding future development and the provision of infrastructure and social amenities within a 79± acre area bounded by Belt Line Road to the north, Hornet Road to the south, Midway Road to the east, and existing residential neighborhoods to the west.

- **New Housing Opportunities**

Cobalt Homes will be developing a 31 lot townhome development at the former Super 8 Motel site on Beltway Drive, west of Midway Road. AMLI Residential will be redeveloping Office in the Park – a declining office complex fronting Midway Road – with a mixed residential project comprised of multifamily residential buildings with ground floor retail, rental townhomes, ownership townhomes, and 3 acres of public open space. UDR is developing a rental townhome project at the southeast corner of Spring Valley Road and Vitruvian Way and JPI is developing a multifamily residential building at the southeast corner of Addison Road and Airport Parkway.

- **Continued Evolution of Village on the Parkway and Prestonwood Place**

Village on the Parkway will experience new investment through several new restaurant and entertainment concepts – Hawkers, Nando’s, and Puttshack – as well as a new 3 story mixed-use building providing office space with retail and restaurants at the ground floor. Two new restaurant concepts - Sweetgreen and Postino - will share a building at the southwest corner of Belt Line and Montfort, while Modern Animal veterinary clinic will be added to the mix at Prestonwood Place.

Please see the “Project Map – 2022 Cases” exhibit to see the location of each case by project type.

Commission Goals for 2023

- Increased emphasis on pedestrian safety and comfort – particularly at crosswalks – in the development review process and in capital improvement planning policy and construction.
- Continued review of the Town’s parking and sign standards to support more efficient parking design/wayfinding, and to require/incentivize the provision of features such as EV charging stations, ride share zones, bicycle parking, and wayfinding signage.
- Conduct a development tour with the Commission and create a digital inventory of Commission actions.

MEETING ATTENDANCE - 2022

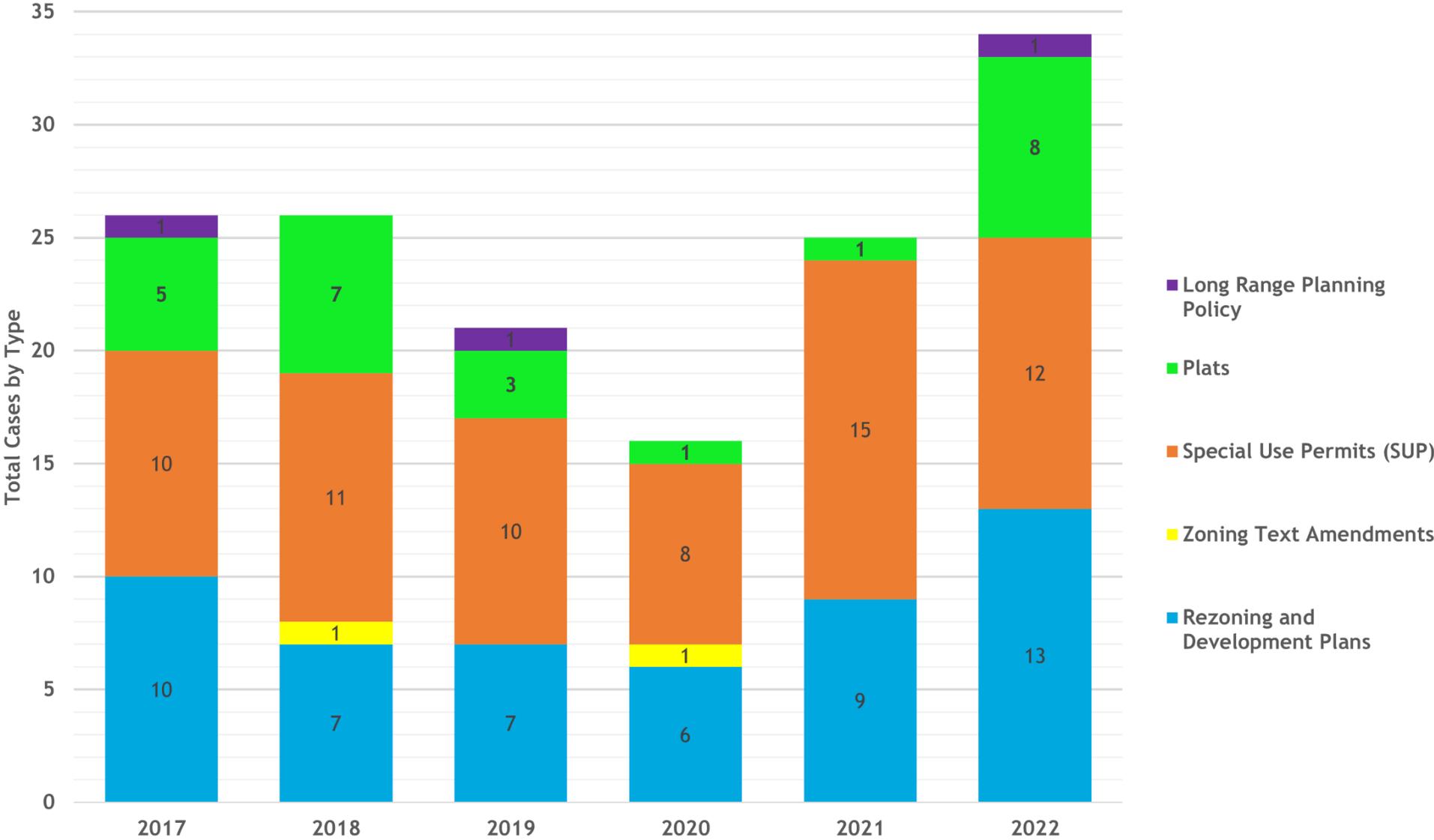
Planning & Zoning Commissioner Attendance Summary - 2022

Commissioner	Present	Absent	Eligible	Attendance Rate
Tom Souers	11	0	11	100%
Chris DeFrancisco	10	1	11	91%
Juli Branson	11	0	11	100%
Bob Catalani	11	0	11	100%
Nancy Craig	11	0	11	100%
Denise Fansler	10	1	11	91%
John Meleky	9	2	11	82%
Average				95%

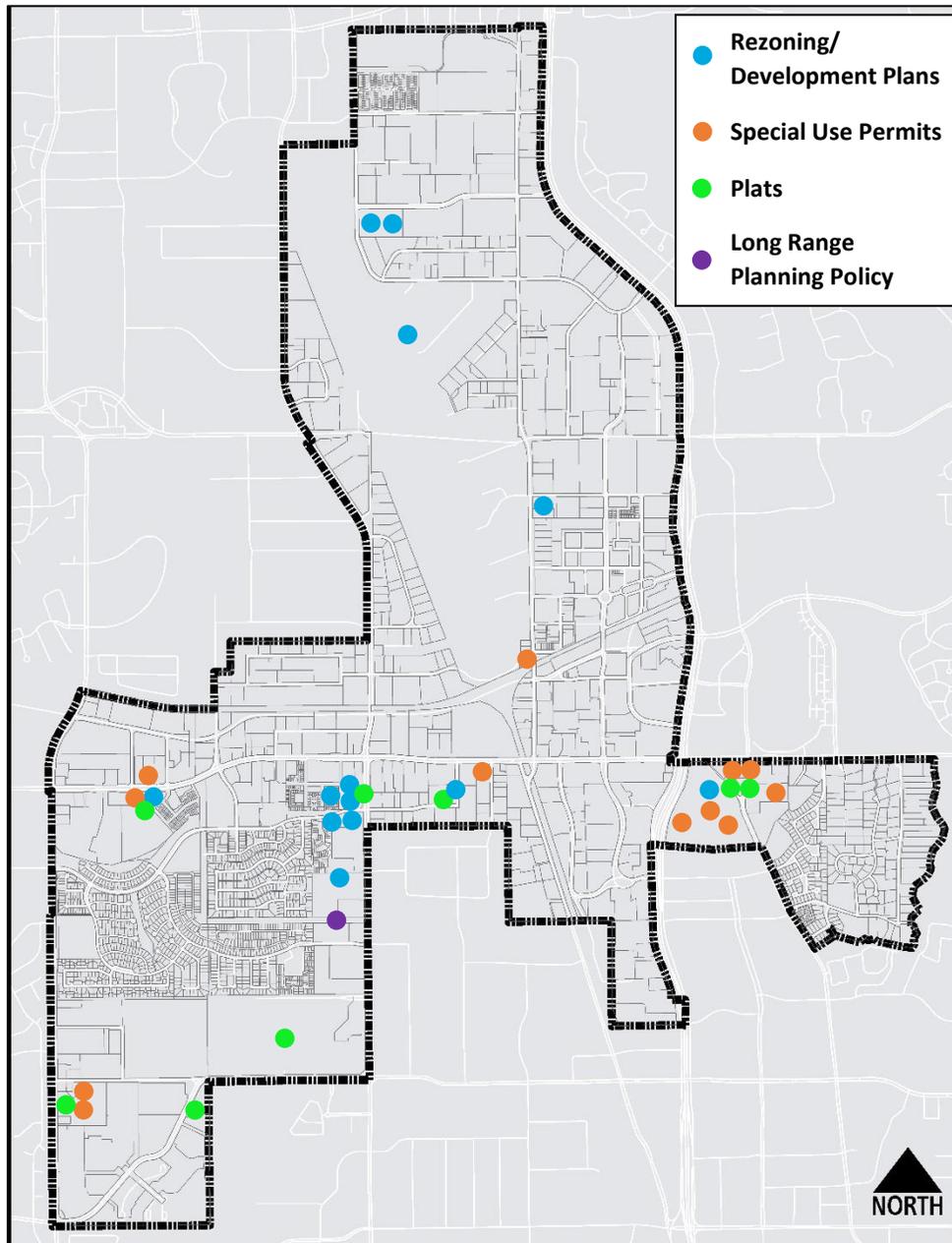
Planning & Zoning Commissioner Attendance Record - 2022

Commissioner	18-Jan	15-Feb	15-Mar	19-Apr	24-May	21-Jun	19-Jul	16-Aug	20-Sep	18-Oct	15-Nov	14-Dec
Tom Souers	P	P	P	P	No Meeting	P	P	P	P	P	P	P
Chris DeFrancisco	P	P	P	P		P	P	A	P	P	P	P
Juli Branson	P	P	P	P		P	P	P	P	P	P	P
Bob Catalani	P	P	P	P		P	P	P	P	P	P	P
Nancy Craig	P	P	P	P		P	P	P	P	P	P	P
Denise Fansler	P	P	P	P		P	P	P	A	P	P	P
John Meleky	P	P	P	P		P	P	P	P	A	A	P
Average	100%	100%	100%	100%			100%	100%	85.7%	85.7%	85.7%	85.7%

PROJECT REVIEW HISTORY



PROJECT MAP – 2022 CASES



Council Meeting 2023

5.

Meeting Date: 02/28/2023

Department: Communications & Marketing

Pillars: Gold Standard in Customer Service

Milestones: Promote and protect the Addison Way

AGENDA CAPTION:

Present and Discuss the **Format for the Town Meeting on April 3, 2023.**

BACKGROUND:

Town Meetings are held twice a year in the spring and fall. This year, the spring meeting is scheduled for April 3, 2023 at 7:00 pm at the Addison Conference Centre. The purpose of this item is to discuss the format and topics for the presentation.

RECOMMENDATION:

Staff requests Council direction.

Council Meeting 2023

6.

Meeting Date: 02/28/2023

Department: Finance

Pillars: Gold Standard in Financial Health

Milestones: Continue development and implementation of Long Term Financial Plan

AGENDA CAPTION:

Present and Discuss the **DART Service Area City Distribution.**

BACKGROUND:

Staff will present information on the DART Service Area City Distribution and seek Council direction regarding use of the funds.

DART's Board of Directors approved the allocation of \$233.9 million to DART service area cities for Public Transportation System or Complementary Transportation purposes. Addison's allocation is \$4.411 million. The allocations are based on each entity's sales tax generated for DART during FY's 2021 & 2022 or population, whichever method generated the highest allocation for each entity.

DART's Board of Directors approved the Public Transportation Interlocal Agreement on November 15, 2022.

RECOMMENDATION:

Staff requests Council direction.

Attachments

Presentation - DART Funding

DART Public Transportation Improvements Funding

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

- DART's Board of Directors approved the allocation of \$233.9 million to DART service area cities for Public Transportation System or Complementary Transportation purposes
- Addison's allocation is \$4.411 million
- The allocations are based on each entity's sales tax generated for DART during FY's 2021 & 2022 or population, whichever method generated the highest allocation for each entity
- DART's Board of Directors approved the Public Transportation Interlocal Agreement on November 15, 2022

- Town must be in good standing with DART (Town is in good standing)
- Town must work collaboratively with DART in achievement of its goals
- Town is responsible for the implementation and operation of eligible projects
- Town is responsible for obtaining and maintaining adequate insurance

- Supports DART's public transportation system or;
- Provide complimentary transportation services
 - Special transportation services for a person who is elderly or has a disability
 - Medical transportation services
 - Assistance in street modifications as necessary to accommodate the public transportation system
 - Any other service that complements the public transportation system, including providing parking garages

- Timeline:
 - Town must submit proposed projects to DART by January 1, 2024
 - Contracts for eligible projects must be awarded by the Town by February 28, 2025
 - Eligible projects must be substantially complete by January 30, 2026
 - Requests for funds must be submitted by April 30, 2026

- Fund Disbursement:
 - For projects under \$250k: DART will distribute 50% upon project approval and the remainder on a reimbursement basis
 - For projects over \$250k: DART will distribute 10% upon project approval, 40% after receipt of a notice to proceed by the Town to its contractor, and remainder on a reimbursement basis.

- Use the full \$4.411 million for trail system improvements
 - On May 25, 2021 Council adopted the City-Wide Trails Master Plan with a total cost to implement phase 1 projects of approximately \$24M with approximately \$4.5M of phase 1 currently funded through the 2019 bond program
 - Recommended Projects:
 - Cottonbelt Trail Amenities (approximate cost \$1M)
 - Extension of Redding Trail to Midway Road (approximate cost \$500k)
 - Beltway Bike Lane and Greenspace (approximate cost \$1.5M)
 - Westgrove Bike Lanes (approximate cost \$1.5M)

Questions?

Council Meeting 2023

7.

Meeting Date: 02/28/2023

Department: Finance

Pillars: Gold Standard in Financial Health

Milestones: Continue development and implementation of Long Term Financial Plan

AGENDA CAPTION:

Present and Discuss the Finance Department Quarterly Financial Report of the Town of Addison for the Fiscal Year 2023 First Quarter Ended December 31, 2022.

BACKGROUND:

The Town of Addison's financial policies require the publication of a financial report 60 days subsequent to the end of the fiscal quarter. This report covers the financial performance through the first quarter for Fiscal Year 2023 (October 1, 2022 - December 31, 2022). Enclosed in the report is an executive dashboard that provides a high-level look at some of the key financial indicators along with more detailed exhibits that demonstrate the current financial positions for the various funds. The report includes information for the following funds: General, Hotel, Economic Development, Airport, Utility, and Stormwater funds.

Key highlights for the first quarter include:

- General Fund revenue totaled \$11.4 million, which is 25.8 percent of the fiscal year budget.
- General Fund expenditures totaled \$9.8 million, which is 22.3 percent of the fiscal year budget.
- Sales tax collections totaled \$3.7 million, which is 25.5 percent of the fiscal year budget.
- The Hotel Fund had revenue of \$1.4 million, an increase of \$482 thousand from this time a year ago, and expenditures of \$969 thousand.
- Performing Arts expenditures are at 60.1 percent due to the payment of the WaterTower Theatre grant.
- Special Events revenues totaled 10.0 percent and expenses totaled 1.1 percent of the fiscal year budget because of the timing of events.
- Airport Fund operating revenue totaled \$1.8 million or 26.3 percent and operating expenditures totaled \$918 thousand or 16.5 percent of the fiscal year budget.
- Utility Fund operating revenue totaled \$4.0 million or 25.9 percent and expenditures totaled \$3.4 million or 21.9 percent of the fiscal year budget.
- Stormwater Fund revenue and expenditures are in line with historical

averages.

The Quarterly Investment Report for Quarter 1 of Fiscal Year 2023 is also being provided for information purposes. This report has been prepared in accordance with state law and the Town's Financial Policies.

RECOMMENDATION:

Information only, no action required.

Attachments

Presentation - Quarterly Financial Report Fiscal Year 2023 First Quarter

Quarterly Financial Report - Fiscal Year 2023 First Quarter

Quarterly Investment Report - Fiscal Year 2023 First Quarter

Quarterly Financial Report Fiscal Year 2023 First Quarter

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February 28, 2023

Executive Dashboard – Key Revenue Sources

Executive Dashboard - 1st Quarter, 2023 Fiscal Year

Financial Indicators

Positive variance compared to historical trends

Positive

Negative variance of 3%-5% and more than \$50,000 compared to historical trends

Warning

Negative variance of >5% and more than \$50,000 compared to historical trends

Negative

Key Revenue Sources	FY2023 Budget	Actual through 12/31/22	% Annual Budget
Ad Valorem Taxes - General Fund	\$ 22,409,394	\$ 5,883,362	26.25%
Non-Property Taxes - General Fund	15,625,000	4,017,489	25.71%
Hotel Tax	4,800,000	1,251,815	26.08% ⁽¹⁾
Franchise Fees - General Fund	2,155,000	536,929	24.92%
Service/Permitting/License Fees - General Fund	3,238,590	622,873	19.23%
Fines and Penalties - All Funds	336,874	124,584	36.98%
Special Event Revenue - Hotel Fund	1,127,000	112,346	9.97%
Fuel Flowage Fees - Airport Fund	1,119,600	324,291	28.96%
Water and Sewer Charges - Utility Fund	15,162,201	3,892,500	25.67%

⁽¹⁾ Hotel tax revenue has not been collected from all hoteliers and reflects less hotel occupancy due to COVID-19

⁽²⁾ Special Events are low due to the timing of events

Executive Dashboard – Key Expenditures

Executive Dashboard - 1st Quarter, 2023 Fiscal Year

Financial Indicators

Positive variance compared to historical trends

Positive

Negative variance of 3%-5% and more than \$50,000 compared to historical trends

Warning

Negative variance of >5% and more than \$50,000 compared to historical trends

Negative

Key Expenditures	FY2023 Budget	Actual through 12/31/22	% Annual Budget
General Fund	\$ 44,166,648	\$ 9,839,147	22.28%
Hotel Fund	6,906,049	969,217	14.03%
Economic Development	2,176,459	368,795	16.94%
Airport Operations	5,564,259	917,780	16.49%
Utility Operations	15,656,470	3,432,032	21.92%

Personnel Information

Executive Dashboard - 1st Quarter, 2023 Fiscal Year

Staffing Indicators

Personnel Information:

Separations - Benefitted Positions				
Department	10/2022-12/2022			FY2023
	Part-Time Positions	Full-time positions	Total 4th Qtr	YTD
Airport	0	0	0	0
City Manager	1	1	2	2
Conference Centre	0	0	0	0
Development Services	0	0	0	0
Economic Development	0	1	1	1
Finance	0	0	0	0
Fire	0	0	0	0
General Services	0	0	0	0
Human Resources	0	0	0	0
Information Technology	0	0	0	0
Public Works	0	2	2	2
Marketing & Communications	0	0	0	0
Municipal Court	0	0	0	0
Parks	0	0	0	0
Police	0	3	3	3
Recreation	0	0	0	0
Special Events	0	0	0	0
Streets	0	0	0	0
Grand Total	1	7	8	8

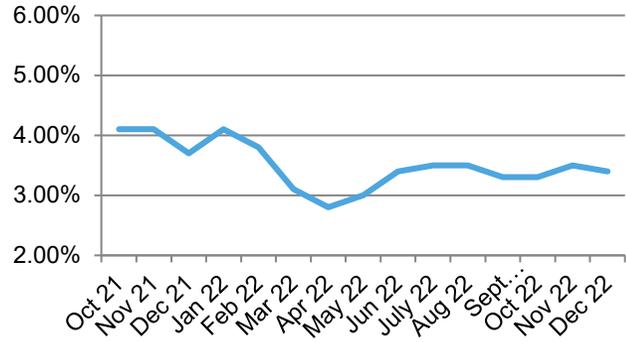
New Hires - Benefitted Positions				
Department	10/2022-12/2022			FY2023
	Part-Time Positions	Full-time positions	Total 4th Qtr	YTD
Airport	0	1	1	1
City Manager	0	0	0	0
Conference Centre	0	0	0	0
Development Services	0	0	0	0
Economic Development	0	0	0	0
Finance	0	0	0	0
Fire	0	0	0	0
General Services	0	1	1	1
Human Resources	0	0	0	0
Information Technology	0	0	0	0
Public Works	0	1	1	1
Marketing & Communications	0	0	0	0
Municipal Court	0	0	0	0
Parks	0	0	0	0
Police	0	1	1	1
Recreation	3	1	4	4
Special Events	0	1	1	1
Streets	0	1	1	1
Grand Total	3	7	10	10

Public Safety Sworn Positions	Budgeted FY 2023	Filled Positions	Percent Filled
Police	66	61	92%
Fire ⁽¹⁾	56	57	102%

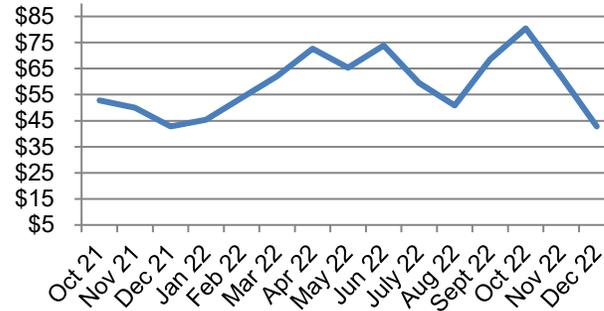
⁽¹⁾ FY2022 budget includes 56 budgeted sworn positions plus overfill of 1 Firefighter (F3) position

Economic Indicators

DFW Unemployment Rate Last 12 months



Hotel Revenue Per Available Room



Addison Hotel Statistics



Occupancy Indicators:

Office Occupancy = 80.8%

Retail Occupancy = 93.1%

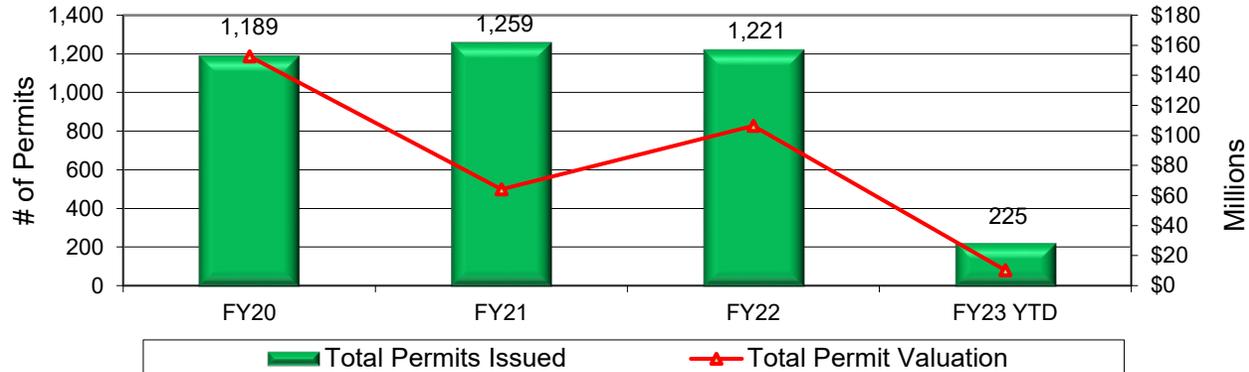
Hotel Occupancy = 59.9%

RevPar = \$61.72

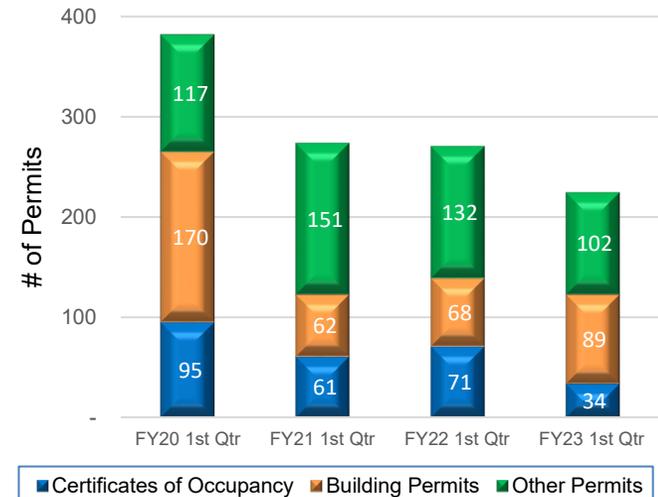


Hotel Indicators

Total Permits Issued and Valuation

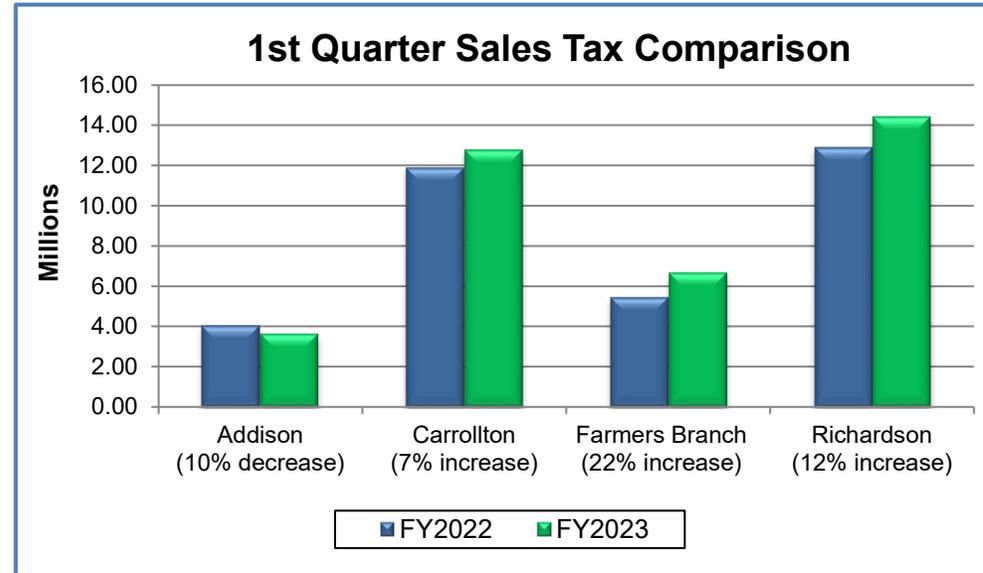


Quarterly Permit Activity, Year over Year

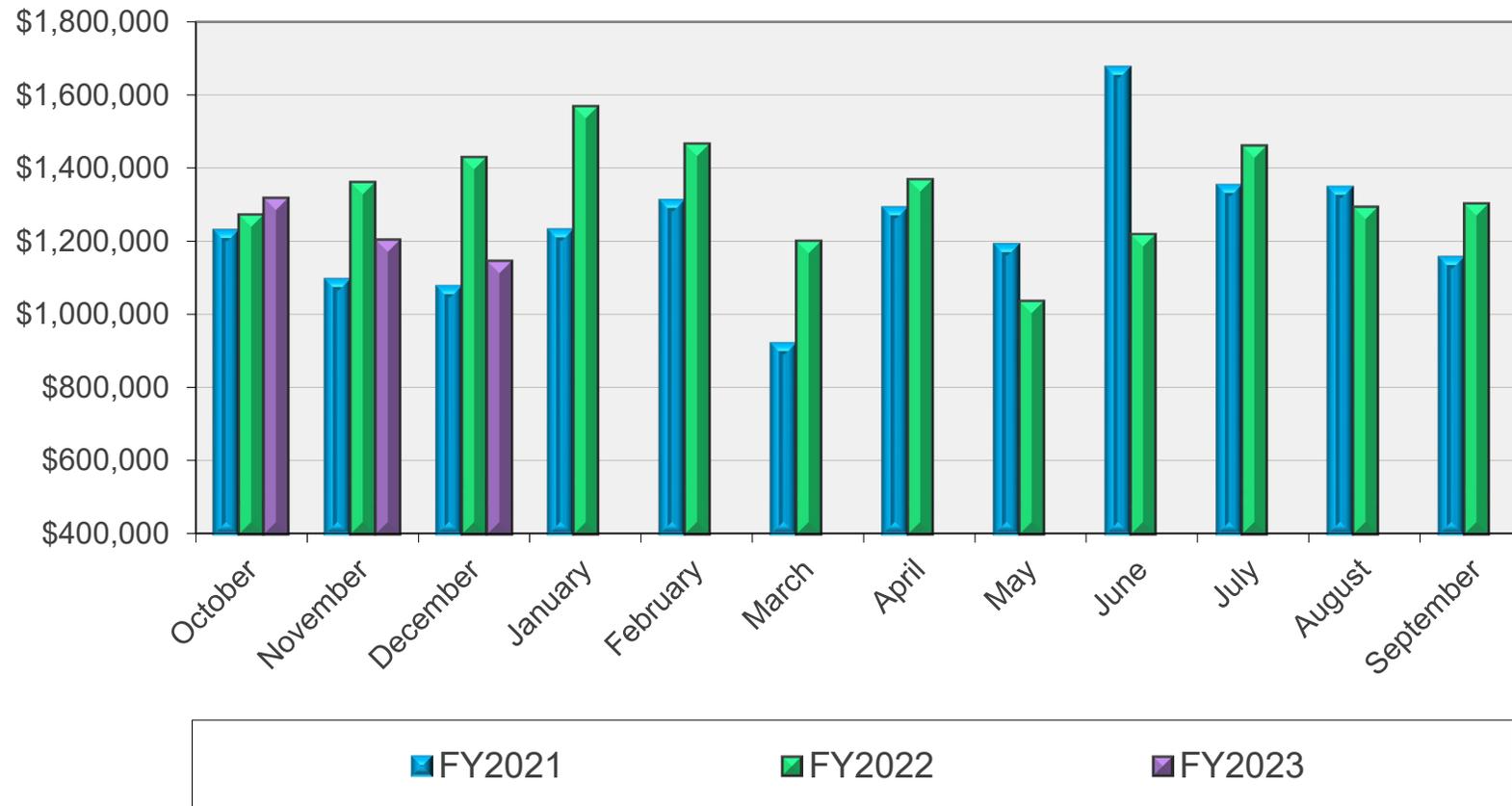


Economic Development Incentives:

Executed Agreements	Amount Paid FY22	Total Incentives Committed
8	\$0	\$834,323



Monthly Sales Tax Collections

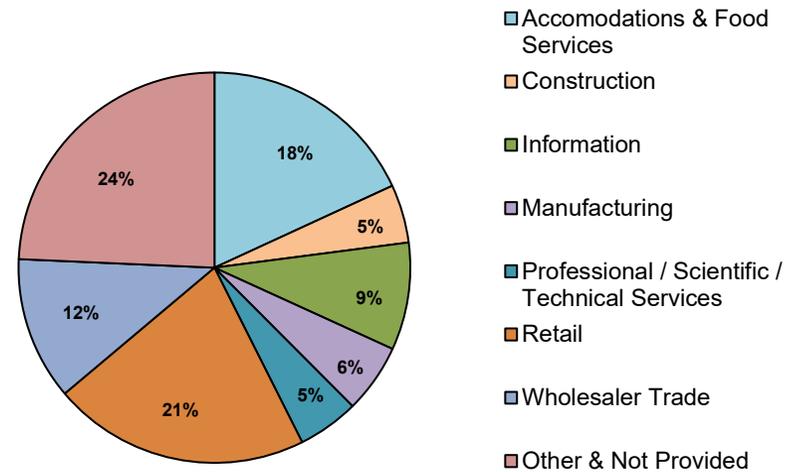


Sales Tax Collections

TOWN OF ADDISON
Schedule of Sales Tax Collections
For the quarter ending December 31, 2022

	FY2023 Monthly Collections	% Change from Prior Year	FY2022 Monthly Collections
October	\$ 1,316,545	3.3%	\$ 1,273,977
November	1,202,884	-11.7%	1,362,516
December	1,145,606	-19.9%	1,430,169
January		-100.0%	1,569,646
February		-100.0%	1,467,367
March		-100.0%	1,202,011
April		-100.0%	1,370,124
May		-100.0%	1,038,643
June		-100.0%	1,220,982
July		-100.0%	1,462,725
August		-100.0%	1,294,958
September		-100.0%	1,304,166
	3,665,035		\$ 15,997,283
Budget:	14,400,000	25.5%	14,710,875

Breakdown of Sales Tax by Economic Category



General Fund Revenue

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Ad Valorem taxes:					
Current taxes	\$ 20,603,683	\$ 22,559,394	\$ 5,890,446	\$ 5,890,446	26.1%
Delinquent taxes	(207,701)	(200,000)	(12,757)	(12,757)	6.4% ⁽¹⁾
Penalty & interest	58,070	50,000	5,673	5,673	11.3%
Non-property taxes:					
Sales tax	15,997,283	14,400,000	3,665,035	3,665,035	25.5%
Alcoholic beverage tax	1,350,605	1,225,000	352,454	352,454	28.8%
Franchise / right-of-way use fees:					
Electric franchise	1,499,435	1,575,000	463,957	463,957	29.5%
Gas franchise	275,373	250,000	-	-	0.0%
Telecommunication access fees	185,927	200,000	44,943	44,943	22.5%
Cable franchise	124,416	130,000	28,029	28,029	21.6%
Street rental fees	(6,500)	-	-	-	0.0%
Licenses and permits:					
Business licenses and permits	148,026	209,700	36,135	36,135	17.2%
Building and construction permits	972,526	960,400	133,351	133,351	13.9%
Intergovernmental	3,982	-	-	-	0.0%
Service fees:					
General government	-	-	-	-	0.0%
Public safety	1,093,844	1,026,000	222,600	222,600	21.7%
Urban development	50,110	47,200	10,400	10,400	22.0%
Streets and sanitation	440,857	480,700	94,250	94,250	19.6%
Recreation	39,690	70,300	15,064	15,064	21.4%
Interfund	438,870	444,290	111,073	111,073	25.0%
Court fines	301,404	245,000	84,841	84,841	34.6%
Interest earnings	(1,105,426)	200,000	94,738	94,738	47.4%
Rental income	8,300	8,000	1,900	1,900	23.8%
Other	421,465	290,500	153,107	153,107	52.7%
Total Revenues	42,694,239	44,171,484	11,395,240	11,395,240	25.8%

⁽¹⁾ Represents prior year tax payment refunds

General Fund Expenditures

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
Expenditures:					
General Government:					
City Secretary	187,884	232,150	38,513	38,513	16.6%
City Manager	1,246,441	1,309,782	259,067	259,067	19.8%
Finance	1,750,249	1,861,940	473,250	473,250	25.4%
General Services	1,271,406	1,108,609	256,013	256,013	23.1%
Municipal Court	692,928	741,479	224,402	224,402	30.3%
Human Resources	660,144	758,481	187,757	187,757	24.8%
Information Technology	1,952,454	2,418,608	384,380	384,380	15.9%
Combined Services	1,215,036	1,485,125	414,622	414,622	27.9%
Council Projects	332,678	342,850	166,036	166,036	48.4% ⁽¹⁾
Public Safety:					
Police	10,597,376	11,362,815	2,533,325	2,533,325	22.3%
Emergency Communications	1,607,261	1,764,387	532,063	532,063	30.2%
Fire	9,267,049	9,907,123	2,401,399	2,401,399	24.2%
Development Services	1,643,483	1,982,282	398,464	398,464	20.1%
Streets	2,047,734	2,236,000	285,303	285,303	12.8%
Parks and Recreation:					
Parks	4,632,050	4,751,045	944,962	944,962	19.9%
Recreation	1,476,485	1,903,972	339,591	339,591	17.8%
Other financing uses:					
Transfers to other funds	1,841,875	-	-	-	0.0%
Total Expenditures	42,422,533	44,166,648	9,839,147	9,839,147	22.3%
Net Change in Fund Balance	271,706	4,836	1,556,093	1,556,093	
Fund Balance at Beginning of Year	20,243,675	20,515,381		20,515,381	
Fund Balance at End of Year	\$ 20,515,381	\$ 20,520,217		\$ 22,071,474	

⁽¹⁾ Includes primary NPO grant payment for non-profit grant funding

Hotel Fund

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Hotel/Motel occupancy taxes	\$ 4,353,355	\$ 4,800,000	\$ 1,251,815	\$ 1,251,815	26.1% ⁽¹⁾
Proceeds from special events	1,051,805	1,127,000	112,346	112,346	10.0%
Rental income	113,718	30,000	17,348	17,348	57.8%
Interest and miscellaneous	1,972,830	20,100	22,122	22,122	110.1%
Total Revenues	7,491,708	5,977,100	1,403,632	1,403,632	23.5%
Expenditures:					
Addison theatre centre	273,261	313,279	66,946	66,946	21.4%
Conference centre	229,056	220,510	62,510	62,510	28.3%
General hotel operations	151,625	186,197	48,368	48,368	26.0%
Marketing	887,942	1,193,362	164,847	164,847	13.8%
Performing arts	377,500	379,089	227,839	227,839	60.1% ⁽²⁾
Special events	825,661	1,088,337	176,154	176,154	16.2%
Special events operations	2,431,963	2,757,275	30,553	30,553	1.1%
Attractions Capital Projects	-	-	-	-	0.0%
Other financing uses:					
Transfer to Economic Development Fund	384,000	768,000	192,000	192,000	25.0%
Total Expenditures	5,561,008	6,906,049	969,217	969,217	14.0%
Net Change in Fund Balance	1,930,700	(928,949)	434,414	434,414	
Fund Balance at Beginning of Year	2,710,600	4,641,300		4,641,300	
Fund Balance at End of Year	\$ 4,641,300	\$ 3,712,351		\$ 5,075,714	

⁽¹⁾ Hotel tax collections have not been received by all hoteliers

⁽²⁾ NPO primary grant payment and matching funds for non-profit grant funding to Water Tower Theatre

Economic Development Fund

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Ad Valorem taxes:	\$ 1,179,713	\$ 1,280,691	\$ 336,083	\$ 336,083	26.2%
Business license fee	32,450	50,000	12,550	12,550	25.1%
Interest income and other	(91,704)	30,000	9,112	9,112	30.4%
Transfers from General/Hotel Fund	384,000	768,000	192,000	192,000	25.0%
Total Revenues	1,504,459	2,128,691	549,745	549,745	25.8%
Expenditures:					
Personnel services	516,409	577,836	133,314	133,314	23.1%
Supplies	15,843	18,371	2,989	2,989	16.3%
Maintenance	20,582	30,720	690	690	2.2%
Contractual services	761,946	1,536,160	228,459	228,459	14.9%
Debt Service	221,611	13,372	3,343	3,343	25.0%
Total Expenditures	1,536,391	2,176,459	368,795	368,795	16.9%
Net Change in Fund Balance	(31,932)	(47,768)	180,950	180,950	
Fund Balance at Beginning of Year	2,012,219	1,980,287		1,980,287	
Fund Balance at End of Year	\$ 1,980,287	\$ 1,932,519		\$ 2,161,237	

Airport Fund

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating Revenues:					
Operating grants	\$ 798,000	\$ 50,000	\$ -	\$ -	0.0%
Service fees	148,680	157,000	36,200	36,200	23.1% ⁽¹⁾
Fuel flowage fees	1,357,351	1,119,600	324,291	324,291	29.0%
Rental income	5,584,356	5,301,700	1,340,915	1,340,915	25.3%
Interest income and other	(76,989)	60,000	58,939	58,939	98.2%
Total Operating Revenues:	7,811,398	6,688,300	1,760,346	1,760,346	26.3%
Operating Expenses:					
Personnel services	2,186,867	2,517,439	562,615	562,615	22.3%
Supplies	42,962	56,381	11,630	11,630	20.6%
Maintenance	463,108	671,801	68,218	68,218	10.2%
Contractual services	1,104,836	1,164,992	206,980	206,980	17.8%
Capital Replacement/Lease	257,928	232,928	58,232	58,232	25.0%
Debt service	712,246	885,718	10,106	10,106	1.1%
Capital Outlay	50,346	35,000	-	-	0.0%
Total Operating Expenses:	4,818,293	5,564,259	917,780	917,780	16.5%
Other financing uses:					
Transfer to Debt service fund	-	508,966	127,242	127,242	25.0%
Capital Projects (Cash Funded)	783,207	2,582,000	-	-	0.0%
Total Expenses:	5,601,500	8,655,225	1,045,022	1,045,022	12.1%
Net Change in Working Capital	2,209,898	(1,966,925)	715,324	715,324	
Working Capital at Beginning of Year	6,146,329	8,356,227		8,356,227	
Working Capital at End of Year	\$ 8,356,227	\$ 6,389,302		\$ 9,071,551	

⁽¹⁾ Percentage is below the quarterly threshold but actuals are in line with historical trends

Utility Fund

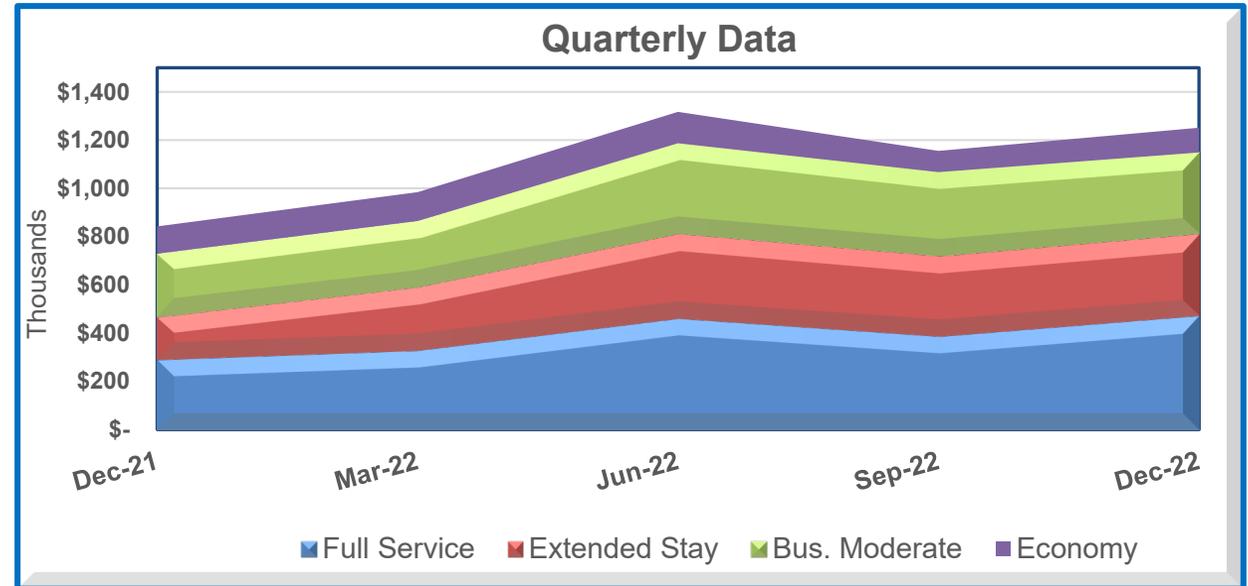
CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Water sales	\$ 9,115,862	\$ 8,452,239	\$ 2,199,769	\$ 2,199,769	26.0%
Sewer charges	6,330,760	6,709,962	1,692,731	1,692,731	25.2%
Tap fees	37,780	10,587	19,590	19,590	185.0%
Penalties	125,985	91,874	39,742	39,742	43.3%
Interest income and other	(198,486)	135,114	40,631	40,631	30.1%
Total Operating Revenues:	15,411,901	15,399,776	3,992,463	3,992,463	25.9%
Operating expenses:					
Personnel services	2,539,000	2,833,900	637,847	637,847	22.5%
Supplies	240,249	232,112	44,834	44,834	19.3%
Maintenance	936,177	803,462	104,411	104,411	13.0%
Contractual services					
Water purchases	4,339,663	4,327,486	1,124,570	1,124,570	26.0%
Wastewater treatment	3,631,976	3,831,839	1,096,022	1,096,022	28.6%
Other services	893,725	1,602,058	372,341	372,341	23.2%
Capital Replacement/Lease	231,584	206,584	51,646	51,646	25.0%
Debt service	1,526,320	1,744,029	361	361	0.0%
Capital outlay	-	75,000	-	-	0.0%
Total Operating Expenses:	14,338,694	15,656,470	3,432,032	3,432,032	21.9%
Capital Projects (Cash Funded)	-	79,000	-	-	0.0%
Total Expenses:	14,338,694	15,735,470	3,432,032	3,432,032	21.8%
Net Change in Working Capital	1,073,207	(335,694)	560,431	560,431	
Working Capital at Beginning of Year	6,393,749	7,466,956		7,466,956	
Working Capital at End of Year	\$ 7,466,956	\$ 7,131,262		\$ 8,027,387	

Stormwater Utility Fund

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Drainage Fees	\$ 2,558,788	\$ 2,554,023	\$ 676,614	\$ 676,614	26.5%
Interest income and other	(303,310)	100,000	46,142	46,142	46.1%
Total Operating Revenues:	2,255,478	2,654,023	722,756	722,756	27.2%
Operating expenses					
Personnel services	374,451	417,276	92,724	92,724	22.2%
Supplies	16,903	16,100	1,458	1,458	9.1%
Maintenance	101,042	321,280	16,635	16,635	5.2%
Contractual services	294,146	359,710	58,950	58,950	16.4%
Capital Replacement/Lease	10,000	10,000	2,500	2,500	25.0%
Debt service	493,199	491,390	-	-	0.0%
Capital outlay	29,457	60,000	-	-	0.0%
Total Operating Expenses:	1,319,198	1,675,756	172,266	172,266	10.3%
Other financing uses:					
Transfer to Debt service fund	-	400,439	100,110	100,110	25.0%
Capital Projects (Cash Funded)	402,532	2,838,033	169,544	169,544	6.0%
Total Expenses:	1,721,730	4,914,228	441,919	441,919	9.0%
Net Change in Working Capital	533,748	(2,260,205)	280,837	280,837	
Working Capital at Beginning of Year	8,921,610	9,455,358		9,455,358	
Working Capital at End of Year	\$ 9,455,358	\$ 7,195,153		\$ 9,736,195	

Hotel Occupancy Tax Collections

	Rooms		Oct - Dec 2022		23 to 22 % Diff.
	Number	%	Amount	%	
Full Service					
Marriott Quorum	547	15%	\$ 238,362	19%	54%
Renaissance	528	14%	234,787	19%	72%
	1,075	29%	473,148	38%	62%
Extended Stay					
Budget Suites	344	9%	8,561	1%	-11%
Mainstay Suites	70	2%	9,891	1%	32%
Marriott Residence Inn	150	4%	73,809	6%	0%
Hyatt House	132	4%	48,004	4%	0%
Homewood Suites	120	3%	48,889	4%	28%
Home2Suites	132	4%	88,169	7%	32%
Springhill Suites	159	4%	60,416	5%	14%
	1,107	30%	337,739	27%	93%
Business Moderate					
Marriott Courtyard Quorum	176	5%	80,565	6%	39%
LaQuinta Inn	152	4%	45,676	4%	8%
Marriott Courtyard Midway	145	4%	58,241	5%	44%
Radisson - Addison	101	3%	25,264	2%	16%
Hilton Garden Inn	96	3%	47,461	4%	31%
Holiday Inn Express	97	3%	40,276	3%	12%
⁽¹⁾ Holiday Inn Beltway	102	3%	16,712	1%	0%
Best Western Plus	84	2%	23,337	2%	-16%
	953	26%	337,532	27%	29%
Economy					
Motel 6	127	3%	34,206	3%	14%
The Addison Inn	158	4%	1,859	0%	-93%
Red Roof Inn	105	3%	33,739	3%	13%
Quality Suites North/Galleria	78	2%	24,399	2%	19%
America's Best Value Inn	60	2%	9,192	1%	19%
	528	14%	103,396	8%	-9%
TOTAL	3,663	100%	1,251,815	100%	49%



⁽¹⁾ Not yet received one or more payments for the quarter

Investment Report Summary

	Book Value	Market Value	Interest Revenue	Weighted Average Yield-to- Maturity
12/31/2022	131,115,551	125,350,795	616,157	2.25%
9/30/2022	132,941,026	126,674,715	376,455	1.69%
Change	(1,825,475)	(1,323,920)	239,702	0.57%
% Change	-1.37%	-1.05%	63.67%	33.61%



Department of Finance
Quarterly Review

For the Period Ended December 31, 2022

Town of Addison

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To: David Gaines, City Manager
From: Steven Glickman, Chief Financial Officer
Re: First Quarter Financial Review
Date: 2/28/2023

This is the first quarter report for the 2022-2023 fiscal year. Revenues and expenditures reflect activity from October 1, 2022 through December 31, 2022 or 25 percent of the fiscal year.

GENERAL FUND

- Fiscal year-to-date revenue totals \$11.4 million, which is 25.8 percent of the overall budget amount. Sales tax collections are at 25.5 percent of the fiscal year 2023 budget. Alcoholic beverage tax collections are at 28.8 percent of the fiscal year 2023 budget.
- Fiscal year-to-date expenditures and transfers total approximately \$9.8 million, which is 22.3 percent of budget. All departments are on pace with or below their respective budgets for fiscal year 2023.

HOTEL FUND

- Revenues through the first quarter total approximately \$1.4 million, 23.5 percent of the fiscal year 2023 budget. Hotel occupancy tax collections are 26.1 percent of budget for three months of collections. Collections have not been received by all hoteliers for December. Proceeds from Special Events are below budget due to timing of events; all significant events occur between May and September.
- Hotel Fund expenditures of \$969 thousand are 14.0 percent of budget, and \$134 thousand more than this time a year ago. Performing Arts expenditures are at 60.1 percent due to the payment of the Water Tower Theater primary grant. Special events expenditures are at 1.1 percent due to timing of events.

AIRPORT FUND

- Operating revenue through the first quarter total approximately \$1.8 million or 26.3 percent of the fiscal year 2023 budget.
- Operating expenses total \$918 thousand, or 16.5 percent of fiscal year 2023 budget.
- Total year-to-date operating income for the Airport Fund is \$715 thousand.

UTILITY FUND

- Operating revenue through the first quarter totals \$4.0 million, or 25.9 percent of the fiscal year 2023 budget. Water revenues for three months are at 26.0 percent of the fiscal year 2023 budget and sewer revenues are at 25.2 percent of the fiscal year 2023 budget. The year-to-date revenue and percent of budget is higher than the prior year.
- Operating expenses through the first quarter total approximately \$3.4 million, or 21.9 percent of the fiscal year 2023 budget. Water wholesale purchases and wastewater treatment expenses are more than this time a year ago due to the timing of payment for these services.

STORMWATER FUND

- Operating revenue through the first quarter total \$723 thousand, or 27.2 percent of the fiscal year 2023 budget.
- Operating expenses through the first quarter total approximately \$172 thousand, or 10.3 percent of the fiscal year 2023 budget. The percentage to budget is driven by our debt service payment, which is made in the second quarter of the fiscal year.
- Through the first quarter \$170 thousand has been spent on cash funded capital projects.

Executive Dashboard - 1st Quarter, 2023 Fiscal Year

Financial Indicators

Positive variance compared to historical trends

Positive

Negative variance of 3%-5% and more than \$50,000 compared to historical trends

Warning

Negative variance of >5% and more than \$50,000 compared to historical trends

Negative

Key Revenue Sources	FY2023 Budget	Actual through 12/31/22	% Annual Budget
Ad Valorem Taxes - General Fund	\$ 22,409,394	\$ 5,883,362	26.25%
Non-Property Taxes - General Fund	15,625,000	4,017,489	25.71%
Hotel Tax	4,800,000	1,251,815	26.08%
Franchise Fees - General Fund	2,155,000	536,929	24.92%
Service/Permitting/License Fees - General Fund	3,238,590	622,873	19.23%
Fines and Penalties - All Funds	336,874	124,584	36.98%
Special Event Revenue - Hotel Fund	1,127,000	112,346	9.97%
Fuel Flowage Fees - Airport Fund	1,119,600	324,291	28.96%
Water and Sewer Charges - Utility Fund	15,162,201	3,892,500	25.67%

(1)

Key Expenditures	FY2023 Budget	Actual through 12/31/22	% Annual Budget
General Fund	\$ 44,166,648	\$ 9,839,147	22.28%
Hotel Fund	6,906,049	969,217	14.03%
Economic Development	2,176,459	368,795	16.94%
Airport Operations	5,564,259	917,780	16.49%
Utility Operations	15,656,470	3,432,032	21.92%

(1) Hotel tax revenue has not been collected from all hoteliers

Executive Dashboard - 1st Quarter, 2023 Fiscal Year
Staffing Indicators

Personnel Information:

Separations - Benefitted Positions				
	10/2022-12/2022			FY2023
Department	Part-Time Positions	Full-time positions	Total 4th Qtr	YTD
Airport	0	0	0	0
City Manager	1	1	2	2
Conference Centre	0	0	0	0
Development Services	0	0	0	0
Economic Development	0	1	1	1
Finance	0	0	0	0
Fire	0	0	0	0
General Services	0	0	0	0
Human Resources	0	0	0	0
Information Technology	0	0	0	0
Public Works	0	2	2	2
Marketing & Communications	0	0	0	0
Municipal Court	0	0	0	0
Parks	0	0	0	0
Police	0	3	3	3
Recreation	0	0	0	0
Special Events	0	0	0	0
Streets	0	0	0	0
Grand Total	1	7	8	8

New Hires - Benefitted Positions				
	10/2022-12/2022			FY2023
Department	Part-Time Positions	Full-time positions	Total 4th Qtr	YTD
Airport	0	1	1	1
City Manager	0	0	0	0
Conference Centre	0	0	0	0
Development Services	0	0	0	0
Economic Development	0	0	0	0
Finance	0	0	0	0
Fire	0	0	0	0
General Services	0	1	1	1
Human Resources	0	0	0	0
Information Technology	0	0	0	0
Public Works	0	1	1	1
Marketing & Communications	0	0	0	0
Municipal Court	0	0	0	0
Parks	0	0	0	0
Police	0	1	1	1
Recreation	3	1	4	4
Special Events	0	1	1	1
Streets	0	1	1	1
Grand Total	3	7	10	10

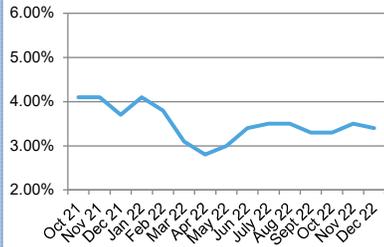
Public Safety Sworn Positions	Budgeted FY 2023	Filled Positions	Percent Filled
Police	66	61	92%
Fire ⁽¹⁾	56	57	102%

⁽¹⁾ FY2023 budget includes 56 budgeted sworn positions plus overfill of 1 Firefighter (F3) position

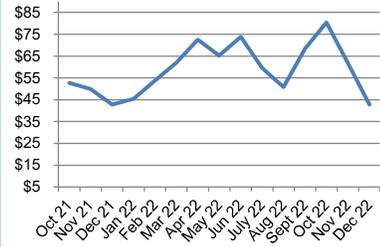
Executive Dashboard - 1st Quarter, 2023 Fiscal Year

Economic Indicators

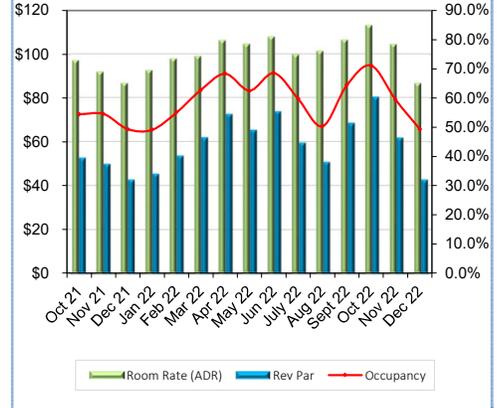
DFW Unemployment Rate Last 12 months



Hotel Revenue Per Available Room



Addison Hotel Statistics



Occupancy Indicators:

Office Occupancy = 80.8% Retail Occupancy = 93.1%

Hotel Indicators

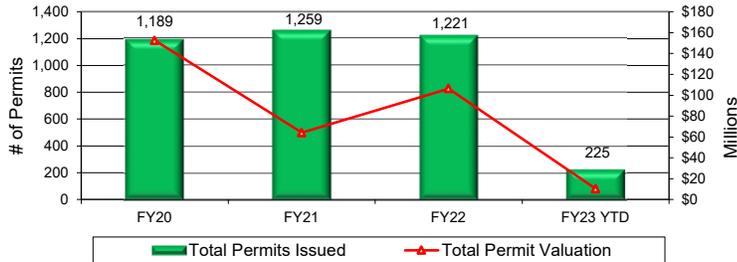
Hotel Occupancy = 59.9% RevPar = \$61.72



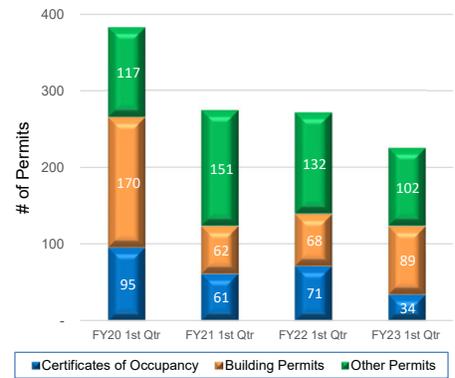
Source: CoStar (compares to prior year Q1)

Source: STR Report (compares to prior year Q1)

Total Permits Issued and Valuation



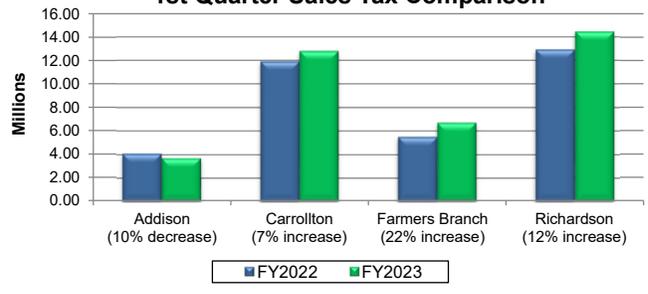
Quarterly Permit Activity, Year over Year



Economic Development Incentives:

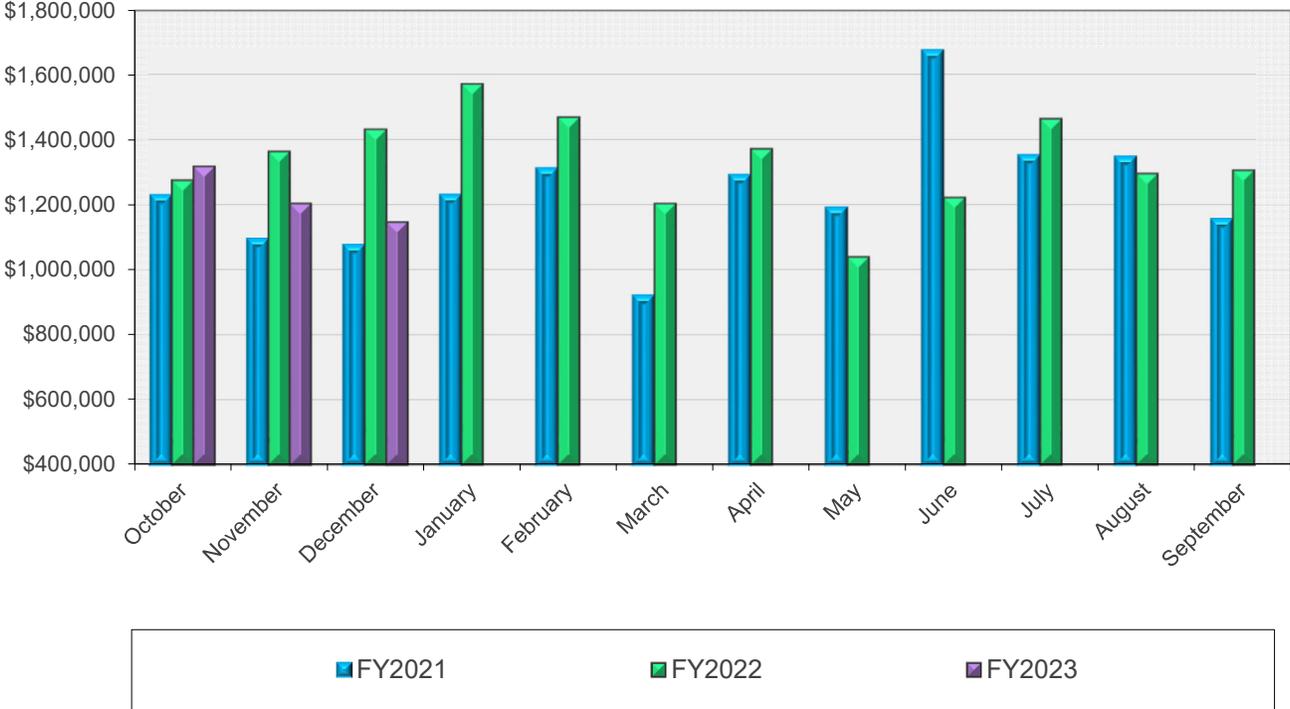
Executed Agreements	Amount Paid FY22	Total Incentives Committed
8	\$0	\$834,323

1st Quarter Sales Tax Comparison



Sales Tax Information

Monthly Sales Tax Collections



Positive variance compared to historical trends
 Negative variance of 3%-5% and more than \$50,000 compared to historical trends
 Negative variance of >5% and more than \$50,000 compared to historical trends

Positive
 Warning
 Negative

TOWN OF ADDISON
 GENERAL FUND
 FY2022 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Ad Valorem taxes:					
Current taxes	\$ 20,603,683	\$ 22,559,394	\$ 5,890,446	\$ 5,890,446	26.1%
Delinquent taxes	(207,701)	(200,000)	(12,757)	(12,757)	6.4%
Penalty & interest	58,070	50,000	5,673	5,673	11.3%
Non-property taxes:					
Sales tax	15,997,283	14,400,000	3,665,035	3,665,035	25.5%
Alcoholic beverage tax	1,350,605	1,225,000	352,454	352,454	28.8%
Franchise / right-of-way use fees:					
Electric franchise	1,499,435	1,575,000	463,957	463,957	29.5%
Gas franchise	275,373	250,000	-	-	0.0%
Telecommunication access fees	185,927	200,000	44,943	44,943	22.5%
Cable franchise	124,416	130,000	28,029	28,029	21.6%
Street rental fees	(6,500)	-	-	-	0.0%
Licenses and permits:					
Business licenses and permits	148,026	209,700	36,135	36,135	17.2%
Building and construction permits	972,526	960,400	133,351	133,351	13.9%
Intergovernmental	3,982	-	-	-	0.0%
Service fees:					
General government	-	-	-	-	0.0%
Public safety	1,093,844	1,026,000	222,600	222,600	21.7%
Urban development	50,110	47,200	10,400	10,400	22.0%
Streets and sanitation	440,857	480,700	94,250	94,250	19.6%
Recreation	39,690	70,300	15,064	15,064	21.4%
Interfund	438,870	444,290	111,073	111,073	25.0%
Court fines	301,404	245,000	84,841	84,841	34.6%
Interest earnings	(1,105,426)	200,000	94,738	94,738	47.4%
Rental income	8,300	8,000	1,900	1,900	23.8%
Other	421,465	290,500	153,107	153,107	52.7%
Total Revenues	42,694,239	44,171,484	11,395,240	11,395,240	25.8%

⁽¹⁾ Represents prior year tax payment refunds

Positive variance compared to historical trends
 Negative variance of 3%-5% and more than \$50,000 compared to historical trends
 Negative variance of >5% and more than \$50,000 compared to historical trends

Positive
 Warning
 Negative

TOWN OF ADDISON
 GENERAL FUND
 FY2022 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
Expenditures:					
General Government:					
City Secretary	187,884	232,150	38,513	38,513	16.6%
City Manager	1,246,441	1,309,782	259,067	259,067	19.8%
Finance	1,750,249	1,861,940	473,250	473,250	25.4%
General Services	1,271,406	1,108,609	256,013	256,013	23.1%
Municipal Court	692,928	741,479	224,402	224,402	30.3%
Human Resources	660,144	758,481	187,757	187,757	24.8%
Information Technology	1,952,454	2,418,608	384,380	384,380	15.9%
Combined Services	1,215,036	1,485,125	414,622	414,622	27.9%
Council Projects	332,678	342,850	166,036	166,036	48.4% ⁽¹⁾
Public Safety:					
Police	10,597,376	11,362,815	2,533,325	2,533,325	22.3%
Emergency Communications	1,607,261	1,764,387	532,063	532,063	30.2%
Fire	9,267,049	9,907,123	2,401,399	2,401,399	24.2%
Development Services	1,643,483	1,982,282	398,464	398,464	20.1%
Streets	2,047,734	2,236,000	285,303	285,303	12.8%
Parks and Recreation:					
Parks	4,632,050	4,751,045	944,962	944,962	19.9%
Recreation	1,476,485	1,903,972	339,591	339,591	17.8%
Other financing uses:					
Transfers to other funds	1,841,875	-	-	-	0.0%
Total Expenditures	42,422,533	44,166,648	9,839,147	9,839,147	22.3%
Net Change in Fund Balance	271,706	4,836	1,556,093	1,556,093	
Fund Balance at Beginning of Year	20,243,675	20,515,381		20,515,381	
Fund Balance at End of Year	\$ 20,515,381	\$ 20,520,217		\$ 22,071,474	

⁽¹⁾ Includes primary NPO grant payment for non-profit grant funding

Positive variance compared to historical trends

Negative variance of 3%-5% and more than \$50,000 compared to historical trends

Negative variance of >5% and more than \$50,000 compared to historical trends

Positive
Warning
Negative

TOWN OF ADDISON
HOTEL FUND
FY2022 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Hotel/Motel occupancy taxes	\$ 4,353,355	\$ 4,800,000	\$ 1,251,815	\$ 1,251,815	26.1% ⁽¹⁾
Proceeds from special events	1,051,805	1,127,000	112,346	112,346	10.0%
Rental income	113,718	30,000	17,348	17,348	57.8%
Interest and miscellaneous	1,972,830	20,100	22,122	22,122	110.1%
Total Revenues	7,491,708	5,977,100	1,403,632	1,403,632	23.5%
Expenditures:					
Addison theatre centre	273,261	313,279	66,946	66,946	21.4%
Conference centre	229,056	220,510	62,510	62,510	28.3%
General hotel operations	151,625	186,197	48,368	48,368	26.0%
Marketing	887,942	1,193,362	164,847	164,847	13.8%
Performing arts	377,500	379,089	227,839	227,839	60.1% ⁽²⁾
Special events	825,661	1,088,337	176,154	176,154	16.2%
Special events operations	2,431,963	2,757,275	30,553	30,553	1.1%
Attractions Capital Projects	-	-	-	-	0.0%
Other financing uses:					
Transfer to Economic Development Fund	384,000	768,000	192,000	192,000	25.0%
Total Expenditures	5,561,008	6,906,049	969,217	969,217	14.0%
Net Change in Fund Balance	1,930,700	(928,949)	434,414	434,414	
Fund Balance at Beginning of Year	2,710,600	4,641,300		4,641,300	
Fund Balance at End of Year	\$ 4,641,300	\$ 3,712,351		\$ 5,075,714	

⁽¹⁾ Hotel tax collections have not been received by all hoteliers

⁽²⁾ NPO primary grant payment and matching funds for non-profit grant funding to Water Tower Theatre

Positive variance compared to historical trends
 Negative variance of 3%-5% and more than \$50,000 compared to historical trends
 Negative variance of >5% and more than \$50,000 compared to historical trends

Positive
 Warning
 Negative

TOWN OF ADDISON
ECONOMIC DEVELOPMENT FUND
FY2022 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Ad Valorem taxes:	\$ 1,179,713	\$ 1,280,691	\$ 336,083	\$ 336,083	26.2%
Business license fee	32,450	50,000	12,550	12,550	25.1%
Interest income and other	(91,704)	30,000	9,112	9,112	30.4%
Transfers from General/Hotel Fund	384,000	768,000	192,000	192,000	25.0%
Total Revenues	1,504,459	2,128,691	549,745	549,745	25.8%
Expenditures:					
Personnel services	516,409	577,836	133,314	133,314	23.1%
Supplies	15,843	18,371	2,989	2,989	16.3%
Maintenance	20,582	30,720	690	690	2.2%
Contractual services	761,946	1,536,160	228,459	228,459	14.9%
Debt Service	221,611	13,372	3,343	3,343	25.0%
Total Expenditures	1,536,391	2,176,459	368,795	368,795	16.9%
Net Change in Fund Balance	(31,932)	(47,768)	180,950	180,950	
Fund Balance at Beginning of Year	2,012,219	1,980,287		1,980,287	
Fund Balance at End of Year	\$ 1,980,287	\$ 1,932,519		\$ 2,161,237	

Positive variance compared to historical trends
 Negative variance of 3%-5% and more than \$50,000 compared to historical trends
 Negative variance of >5% and more than \$50,000 compared to historical trends

Positive
 Warning
 Negative

AIRPORT FUND
FY2022 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating Revenues:					
Operating grants	\$ 798,000	\$ 50,000	\$ -	\$ -	0.0%
Service fees	148,680	157,000	36,200	36,200	23.1%
Fuel flowage fees	1,357,351	1,119,600	324,291	324,291	29.0%
Rental income	5,584,356	5,301,700	1,340,915	1,340,915	25.3%
Interest income and other	(76,989)	60,000	58,939	58,939	98.2%
Total Operating Revenues:	7,811,398	6,688,300	1,760,346	1,760,346	26.3%
Operating Expenses:					
Personnel services	2,186,867	2,517,439	562,615	562,615	22.3%
Supplies	42,962	56,381	11,630	11,630	20.6%
Maintenance	463,108	671,801	68,218	68,218	10.2%
Contractual services	1,104,836	1,164,992	206,980	206,980	17.8%
Capital Replacement/Lease	257,928	232,928	58,232	58,232	25.0%
Debt service	712,246	885,718	10,106	10,106	1.1%
Capital Outlay	50,346	35,000	-	-	0.0%
Total Operating Expenses:	4,818,293	5,564,259	917,780	917,780	16.5%
Other financing uses:					
Transfer to Debt service fund	-	508,966	127,242	127,242	25.0%
Capital Projects (Cash Funded)	783,207	2,582,000	-	-	0.0%
Total Expenses:	5,601,500	8,655,225	1,045,022	1,045,022	12.1%
Net Change in Working Capital	2,209,898	(1,966,925)	715,324	715,324	
Working Capital at Beginning of Year	6,146,329	8,356,227		8,356,227	
Working Capital at End of Year	\$ 8,356,227	\$ 6,389,302		\$ 9,071,551	

⁽¹⁾ Percentage is below the quarterly threshold but actuals are in line with historical trends

Positive variance compared to historical trends

Negative variance of 3%-5% and more than \$50,000 compared to historical trends

Negative variance of >5% and more than \$50,000 compared to historical trends

Positive
Warning
Negative

UTILITY FUND
FY2022 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Water sales	\$ 9,115,862	\$ 8,452,239	\$ 2,199,769	\$ 2,199,769	26.0%
Sewer charges	6,330,760	6,709,962	1,692,731	1,692,731	25.2%
Tap fees	37,780	10,587	19,590	19,590	185.0%
Penalties	125,985	91,874	39,742	39,742	43.3%
Interest income and other	(198,486)	135,114	40,631	40,631	30.1%
Total Operating Revenues:	15,411,901	15,399,776	3,992,463	3,992,463	25.9%
Operating expenses:					
Personnel services	2,539,000	2,833,900	637,847	637,847	22.5%
Supplies	240,249	232,112	44,834	44,834	19.3%
Maintenance	936,177	803,462	104,411	104,411	13.0%
Contractual services					
Water purchases	4,339,663	4,327,486	1,124,570	1,124,570	26.0%
Wastewater treatment	3,631,976	3,831,839	1,096,022	1,096,022	28.6%
Other services	893,725	1,602,058	372,341	372,341	23.2%
Capital Replacement/Lease	231,584	206,584	51,646	51,646	25.0%
Debt service	1,526,320	1,744,029	361	361	0.0%
Capital outlay	-	75,000	-	-	0.0%
Total Operating Expenses:	14,338,694	15,656,470	3,432,032	3,432,032	21.9%
Capital Projects (Cash Funded)	-	79,000	-	-	0.0%
Total Expenses:	14,338,694	15,735,470	3,432,032	3,432,032	21.8%
Net Change in Working Capital	1,073,207	(335,694)	560,431	560,431	
Working Capital at Beginning of Year	6,393,749	7,466,956		7,466,956	
Working Capital at End of Year	\$ 7,466,956	\$ 7,131,262		\$ 8,027,387	

Positive variance compared to historical trends
 Negative variance of 3%-5% and more than \$50,000 compared to historical trends
 Negative variance of >5% and more than \$50,000 compared to historical trends

Positive
 Warning
 Negative

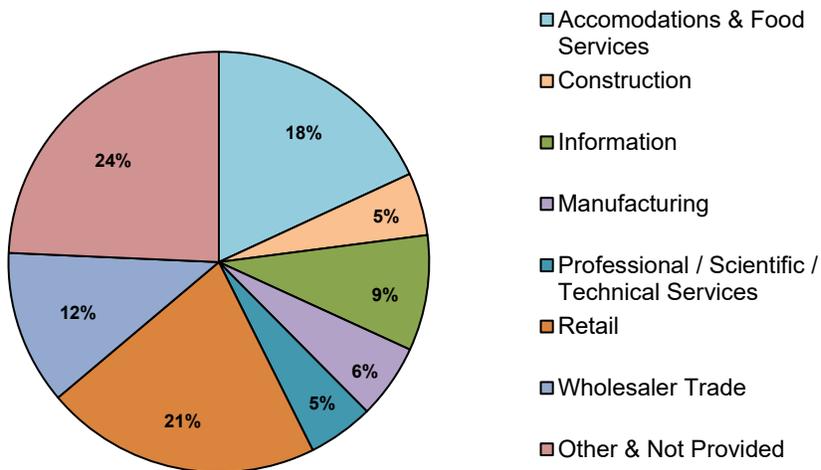
STORMWATER UTILITY FUND
 FY2022 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Drainage Fees	\$ 2,558,788	\$ 2,554,023	\$ 676,614	\$ 676,614	26.5%
Interest income and other	(303,310)	100,000	46,142	46,142	46.1%
Total Operating Revenues:	2,255,478	2,654,023	722,756	722,756	27.2%
Operating expenses					
Personnel services	374,451	417,276	92,724	92,724	22.2%
Supplies	16,903	16,100	1,458	1,458	9.1%
Maintenance	101,042	321,280	16,635	16,635	5.2%
Contractual services	294,146	359,710	58,950	58,950	16.4%
Capital Replacement/Lease	10,000	10,000	2,500	2,500	25.0%
Debt service	493,199	491,390	-	-	0.0%
Capital outlay	29,457	60,000	-	-	0.0%
Total Operating Expenses:	1,319,198	1,675,756	172,266	172,266	10.3%
Other financing uses:					
Transfer to Debt service fund	-	400,439	100,110	100,110	25.0%
Capital Projects (Cash Funded)	402,532	2,838,033	169,544	169,544	6.0%
Total Expenses:	1,721,730	4,914,228	441,919	441,919	9.0%
Net Change in Working Capital	533,748	(2,260,205)	280,837	280,837	
Working Capital at Beginning of Year	8,921,610	9,455,358		9,455,358	
Working Capital at End of Year	\$ 9,455,358	\$ 7,195,153		\$ 9,736,195	

TOWN OF ADDISON
Schedule of Sales Tax Collections
For the quarter ending December 31, 2022

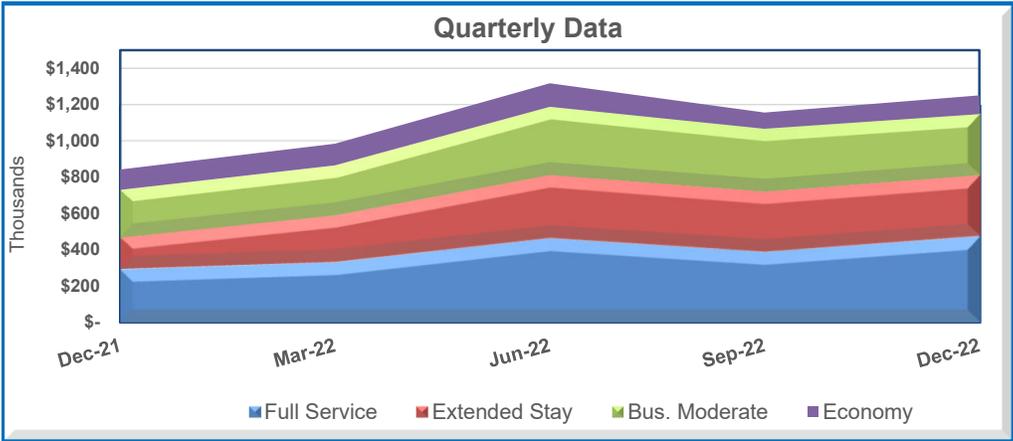
		FY2023 Monthly Collections	% Change from Prior Year		FY2022 Monthly Collections
October	\$	1,316,545	3.3%	\$	1,273,977
November		1,202,884	-11.7%		1,362,516
December		1,145,606	-19.9%		1,430,169
January			-100.0%		1,569,646
February			-100.0%		1,467,367
March			-100.0%		1,202,011
April			-100.0%		1,370,124
May			-100.0%		1,038,643
June			-100.0%		1,220,982
July			-100.0%		1,462,725
August			-100.0%		1,294,958
September			-100.0%		1,304,166
		3,665,035		\$ 15,997,283	
Budget:		14,400,000	25.5%		14,710,875

Breakdown of Sales Tax by Economic Category



Executive Dashboard - 1st Quarter, 2023 Fiscal Year
HOTEL OCCUPANCY TAX COLLECTION
Hotels By Service Type for the Quarter and Year-to-Date Ended December 31, 2022
With Comparative Information from Prior Fiscal Year

	Rooms		Oct - Dec 2022		23 to 22
	Number	%	Amount	%	% Diff.
Full Service					
Marriott Quorum	547	15%	\$ 238,362	19%	54%
Renaissance	528	14%	234,787	19%	72%
	1,075	29%	473,148	38%	62%
Extended Stay					
Budget Suites	344	9%	8,561	1%	-11%
Mainstay Suites	70	2%	9,891	1%	32%
Marriott Residence Inn	150	4%	73,809	6%	0%
Hyatt House	132	4%	48,004	4%	0%
Homewood Suites	120	3%	48,889	4%	28%
Home2Suites	132	4%	88,169	7%	32%
Springhill Suites	159	4%	60,416	5%	14%
	1,107	30%	337,739	27%	93%
Business Moderate					
Marriott Courtyard Quorum	176	5%	80,565	6%	39%
LaQuinta Inn	152	4%	45,676	4%	8%
Marriott Courtyard Midway	145	4%	58,241	5%	44%
Radisson - Addison	101	3%	25,264	2%	16%
Hilton Garden Inn	96	3%	47,461	4%	31%
Holiday Inn Express	97	3%	40,276	3%	12%
⁽¹⁾ Holiday Inn Beltway	102	3%	16,712	1%	0%
Best Western Plus	84	2%	23,337	2%	-16%
	953	26%	337,532	27%	29%
Economy					
Motel 6	127	3%	34,206	3%	14%
The Addison Inn	158	4%	1,859	0%	-93%
Red Roof Inn	105	3%	33,739	3%	13%
Quality Suites North/Galleria	78	2%	24,399	2%	19%
America's Best Value Inn	60	2%	9,192	1%	19%
	528	14%	103,396	8%	-9%
TOTAL	3,663	100%	1,251,815	100%	49%



⁽¹⁾ Not yet received one or more payments for the quarter

Investment Portfolio Summary

Town of Addison



For the Quarter Ended

December 31, 2022

**For the Quarter Ended
December 31, 2022**

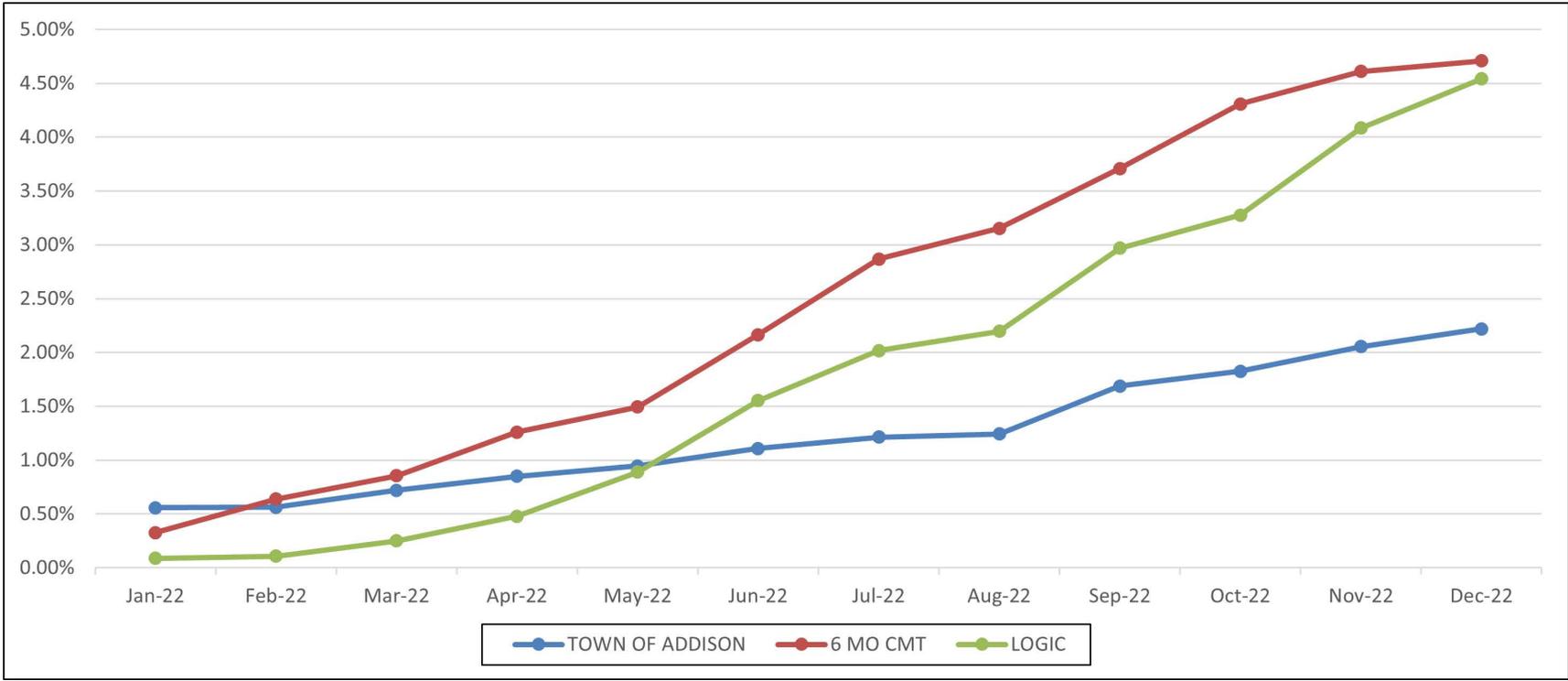
This report is prepared for the **Town of Addison** (the "Entity") in accordance with Chapter 2256 of the Texas Public Funds Investment Act ("PFIA"). Section 2256.023(a) of the PFIA states that: "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report is signed by the Entity's investment officers and includes the disclosures required in the PFIA. To the extent possible, market prices have been obtained from independent pricing sources.

The investment portfolio complied with the PFIA and the Entity's approved Investment Policy and Strategy throughout the period. All investment transactions made in the portfolio during this period were made on behalf of the Entity and were made in full compliance with the PFIA and the approved Investment Policy.

Officer Names and Titles:


Name: Steven Glickman, CPA Title: Chief Financial Officer


Name: Amanda D. Turner, CPA Title: Assistant Finance Director



TOWN OF ADDISON
Detail of Security Holdings
As of 12/31/2022

Category	CUSIP	Settle Date	Sec. Type	Sec. Description	CPN (%)	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Days to Mty	WAM	YTM (%)
	LOGIC	12/31/2022	LGIP	LOGIC		1/1/2023			12,743,665.00	100.00	12,743,665.00	12,743,665.00	1	0.10	4.542
	TEXPOOL	12/31/2022	LGIP	TexPool		1/1/2023			1,016,046.52	100.00	1,016,046.52	1,016,046.52	1	0.01	4.177
	TEXSTAR	12/31/2022	LGIP	TexSTAR		1/1/2023			1,015,348.89	100.00	1,015,348.89	1,015,348.89	1	0.01	4.203
	TXCLASS	12/31/2022	LGIP	Texas CLASS		1/1/2023			3,491,094.07	100.00	3,491,094.07	3,491,094.07	1	0.03	4.521
HTM	721305CS7	4/12/2022	MUNICIPAL	Pike TWP Metro School Dist	1.850	1/15/2023			385,000.00	99.774	384,129.90	384,949.83	15	0.04	2.150
HTM	882669BR4	12/23/2020	MUNICIPAL	TX Pub Fin Auth	0.286	2/1/2023			2,000,000.00	100.00	2,000,000.00	2,000,000.00	32	0.49	0.286
HTM	52908EPM9	9/16/2022	MUNICIPAL	Lexington-Fayette Urban Cnty	5.500	2/1/2023			500,000.00	100.675	503,375.00	500,702.58	32	0.12	3.650
HTM	473142QV2	5/6/2021	MUNICIPAL	Jefferson Cnty Consol Sch Distr	0.450	3/1/2023			260,000.00	100.00	260,000.00	260,000.00	60	0.12	0.450
HTM	3130ADRG9	3/13/2020	AGCY BULET	FHLB	2.750	3/10/2023			4,500,000.00	105.640	4,753,806.46	4,516,180.90	69	2.38	0.837
HTM	62384RAF3	6/28/2022	CD	Mountain America CU	3.000	3/27/2023			249,000.00	100.00	249,000.00	249,000.00	86	0.16	3.000
HTM	3130ASNH8	7/28/2022	AGCY CALL	FHLB	3.000	4/28/2023			1,000,000.00	100.00	1,000,000.00	1,000,000.00	118	0.90	3.000
HTM	912828R28	4/13/2022	TREAS NOTE	U.S. Treasury	1.625	4/30/2023			1,000,000.00	99.819	998,189.92	999,422.95	120	0.91	1.800
HTM	46640QS93	11/9/2022	CP-DISC	JP Morgan CP	0.000	5/9/2023			2,000,000.00	97.586	1,951,722.22	1,965,616.14	129	1.93	4.920
HTM	91435LAG2	9/29/2021	CD	Greenstate Credit Union	3.050	5/15/2023			240,000.00	103.960	249,504.00	242,183.64	135	0.25	0.600
HTM	89233HSR6	9/12/2022	CP-DISC	Toyota Motor Credit	0.000	5/25/2023			1,000,000.00	97.450	974,496.67	985,443.44	145	1.09	3.695
HTM	44963KAA6	6/30/2022	CD	IH Mississippi Valley CU	2.900	5/30/2023			245,000.00	100.00	245,000.00	245,000.00	150	0.28	2.900
HTM	427908EE4	4/29/2021	MUNICIPAL	County of Hernando	0.365	6/1/2023	Anytime	M-W Call	250,000.00	100.00	250,000.00	250,000.00	152	0.29	0.365
HTM	46640QT68	9/9/2022	CP-DISC	JP Morgan CP	0.000	6/6/2023			1,000,000.00	97.175	971,750.00	983,521.34	157	1.18	3.876
HTM	034577AK2	9/21/2021	CD	ANECA Federal Credit Union	3.200	6/21/2023			246,000.00	104.600	257,316.00	249,061.85	172	0.33	0.552
HTM	3130ATCB1	9/28/2022	AGCY CALL	FHLB	3.625	6/28/2023			1,000,000.00	100.00	1,000,000.00	1,000,000.00	179	1.37	3.632
HTM	89841MAA5	6/29/2022	CD	TruStone Financial CU	2.950	6/29/2023			245,000.00	100.00	245,000.00	245,000.00	180	0.34	2.950
HTM	56042RJ29	5/19/2021	MUNICIPAL	Maine Health Tax	0.509	7/1/2023	Anytime	M-W Call	250,000.00	100.00	250,000.00	250,000.00	182	0.35	0.509
HTM	73358W4V3	5/3/2021	MUNICIPAL	Port Auth of NY & NJ Rev Bonds	1.086	7/1/2023			1,000,000.00	101.570	1,015,700.00	1,003,632.83	182	1.39	0.356
HTM	742404AK2	10/21/2021	MUNICIPAL	Princeton Theological	4.105	7/1/2023			1,000,000.00	105.912	1,059,116.52	1,017,449.14	182	1.41	0.593
HTM	576004GV1	9/12/2022	MUNICIPAL	Commonwealth of MA	3.564	7/15/2023	Anytime	M-W Call	1,000,000.00	99.966	999,660.00	999,764.75	196	1.49	3.600
HTM	443728GD6	10/19/2022	MUNICIPAL	Hudson County NJ Imp Authority	3.875	8/4/2023			1,000,000.00	99.256	992,560.00	994,342.58	216	1.64	4.812
HTM	3135G05R0	8/13/2020	AGCY CALL	FNMA	0.300	8/10/2023	2/10/2023	Quarterly	3,000,000.00	99.800	2,994,180.00	2,998,814.18	222	5.08	0.365
HTM	46640QVE8	11/17/2022	CP-DISC	JP Morgan CP	0.000	8/14/2023			1,000,000.00	96.283	962,825.00	968,891.41	226	1.67	5.148
HTM	8923A1VF5	11/18/2022	CP-DISC	Toyota Credit de Puerto Rico	0.000	8/15/2023			1,000,000.00	96.170	961,700.00	967,807.79	227	1.68	5.310
HTM	8923A1VR9	11/29/2022	CP-DISC	Toyota Credit de Puerto Rico	0.000	8/25/2023			1,000,000.00	96.187	961,871.94	966,408.87	237	1.75	5.305
HTM	3130AJZJ1	8/31/2020	AGCY CALL	FHLB	0.320	8/25/2023	1/17/2023	Continuous	2,666,666.67	99.950	2,665,333.34	2,666,375.67	237	4.82	0.337
HTM	59447TXA6	9/16/2022	MUNICIPAL	Michigan St Fin Auth Rev	2.366	9/1/2023	3/1/2023	M-W Call	1,000,000.00	98.385	983,850.00	988,738.65	244	1.84	4.101
HTM	20772KEU9	4/12/2022	MUNICIPAL	State of Connecticut	3.621	9/15/2023			1,000,000.00	102.265	1,022,650.00	1,011,285.42	258	1.99	2.000
HTM	130162AF7	9/23/2022	CD	California CU	4.100	9/22/2023			245,000.00	100.00	245,000.00	245,000.00	265	0.50	4.100
HTM	3130ATDT1	9/29/2022	AGCY CALL	FHLB	4.020	9/29/2023	3/29/2023	One Time	2,000,000.00	100.00	2,000,000.00	2,000,000.00	272	4.15	4.020
HTM	3134GXQM9	4/25/2022	AGCY CALL	FHLB	2.400	10/25/2023	1/25/2023	Monthly	1,000,000.00	100.00	1,000,000.00	1,000,000.00	298	2.27	2.400
HTM	207580AP6	5/11/2021	MUNICIPAL	CT Green Bank Rev Bonds	0.550	11/15/2023			300,000.00	100.00	300,000.00	300,000.00	319	0.73	0.550
HTM	549104TM9	3/8/2022	CD	Luana Savings Bank	0.200	11/20/2023			248,000.00	97.750	242,420.00	245,083.67	324	0.61	1.542
HTM	084244HX3	5/17/2021	MUNICIPAL	Berkeley Cnty Rev	0.886	12/1/2023			1,010,000.00	101.200	1,022,120.00	1,014,377.14	335	2.59	0.410
HTM	64763FTY5	7/22/2021	MUNICIPAL	New Orleans GO	5.000	12/1/2023			360,000.00	110.237	396,853.20	374,355.75	335	0.96	0.620
HTM	64966JAP1	8/11/2022	MUNICIPAL	New York NY	5.687	12/1/2023	Anytime	M-W Call	1,000,000.00	102.761	1,027,610.00	1,019,436.64	335	2.60	3.500
HTM	3130ATVJ3	11/7/2022	AGCY BULET	FHLB	5.000	12/6/2023			1,000,000.00	100.00	1,000,000.00	1,000,000.00	340	2.59	5.000
HTM	60636UJQ3	9/21/2022	MUNICIPAL	Missour St Environmental Impt	0.070	1/1/2024			1,000,000.00	95.822	958,220.00	967,192.83	366	2.70	4.092
HTM	3130AQFK4	1/19/2022	AGCY CALL	FHLB	0.760	1/19/2024	1/19/2023	One Time	1,000,000.00	99.925	999,250.00	999,605.41	384	2.93	0.798
HTM	882669BS2	12/23/2020	MUNICIPAL	TX Pub Fin Auth	0.503	2/1/2024			1,000,000.00	100.00	1,000,000.00	1,000,000.00	397	3.03	0.503
HTM	473142QW0	5/6/2021	MUNICIPAL	Jefferson Cnty Consol Sch Distr	0.650	3/1/2024			200,000.00	100.00	200,000.00	200,000.00	426	0.65	0.650
HTM	20772GE61	4/21/2021	MUNICIPAL	State of Connecticut	5.730	3/15/2024	Anytime	M-W Call	1,205,000.00	115.038	1,386,207.90	1,280,531.35	440	4.30	0.500
HTM	68189TBA3	6/15/2021	MUNICIPAL	Omaha NE Spl Oblg	6.400	2/1/2026	Anytime	Sink	615,000.00	111.697	686,936.55	653,383.64	444	2.21	1.150
HTM	64966H4M9	4/16/2021	MUNICIPAL	City of New York	5.047	10/1/2024	Anytime	Sink/M-W Call	3,794,649.71	111.074	4,214,869.22	4,007,888.58	461	14.09	0.559
HTM	3130AND72	7/29/2021	AGCY CALL	FHLB	0.430	4/29/2024	1/29/2023	Quarterly	1,000,000.00	100.00	1,000,000.00	1,000,000.00	485	3.70	0.430
HTM	3134GY2N1	11/30/2022	AGCY CALL	FHLB	5.170	5/28/2024	8/28/2023	One Time	1,000,000.00	100.00	1,000,000.00	1,000,000.00	514	3.92	5.170
HTM	912828XT2	4/13/2022	TREAS NOTE	U.S. Treasury	2.000	5/31/2024			1,000,000.00	99.131	991,312.56	994,182.69	517	3.92	2.420
HTM	427908EF1	4/29/2021	MUNICIPAL	County of Hernando	0.589	6/1/2024	Anytime	M-W Call	250,000.00	100.00	250,000.00	250,000.00	518	0.99	0.589
HTM	3134GY5N8	12/20/2022	AGCY CALL	FHLB		6/20/2024	6/20/2023	One Time	1,500,000.00	100.00	1,500,000.00	1,500,000.00	537	6.14	5.250
HTM	56042RJ37	5/19/2021	MUNICIPAL	Maine Health Tax	0.711	7/1/2024	Anytime	M-W Call	250,000.00	100.00	250,000.00	250,000.00	548	1.04	0.711
HTM	86666PAC2	11/8/2021	MUNICIPAL	Sun City Fire District AZ Maricopa Cnty COPs	1.099	7/1/2024			600,000.00	100.231	601,386.00	600,786.24	548	2.51	1.010
HTM	24951TAU9	6/29/2022	CD	Department of Commerce	3.500	7/1/2024	1/29/2023	Monthly	245,000.00	100.00	245,000.00	245,000.00	548	1.02	3.500
HTM	22551KAA0	7/22/2022	CD	Credit Union of Texas	3.200	7/22/2024			245,000.00	100.00	245,000.00	245,000.00	569	1.06	3.200
HTM	3130ASKS7	7/25/2022	AGCY CALL	FHLB	3.750	7/25/2024	1/25/2023	Quarterly	1,000,000.00	100.00	1,000,000.00	1,000,000.00	572	4.36	3.750
HTM	79770GJA5	12/15/2021	MUNICIPAL	San Francisco & CA County Redevelopment	1.286	8/1/2024			455,000.00	100.583	457,652.65	456,602.66	579	2.02	1.060
HTM	927781VU5	5/6/2021	MUNICIPAL	Virginia ST Clg Bldg Auth Rev	4.750	9/1/2024	Anytime	M-W Call	755,000.00	113.547	857,279.85	806,545.40	610	3.75	0.620
HTM	70914PME9	6/9/2021	MUNICIPAL	Penn St GO	4.650	2/15/2026	Anytime	Sink/M-W Call	1,475,000.00	110.848	1,635,008.00	1,572,304.32	617	7.40	0.700
HTM	05580AD68	9/17/2021	CD	BMW Bank of North America	0.650	9/17/2024			245,000.00	100.00	245,000.00	245,000.00	626	1.17	0.650
HTM	87165FA20	9/17/2021	CD	Synchrony Bank	0.650	9/17/2024			245,000.00	100.00	245,000.00	245,000.00	626	1.17	0.650

Category	CUSIP	Settle Date	Sec. Type	Sec. Description	CPN (%)	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Days to Mty	WAM	YTM (%)
HTM	3130APAF2	10/7/2021	AGCY CALL	FHLB	0.520	10/7/2024	1/7/2023	Quarterly	1,000,000.00	100.000	1,000,000.00	1,000,000.00	646	4.93	0.520
HTM	20775C6C3	5/19/2021	MUNICIPAL	Connecticut St Housing Auth	2.097	11/15/2024			300,000.00	104.862	314,586.00	307,859.03	685	1.61	0.684
HTM	207580AQ4	5/11/2021	MUNICIPAL	CT Green Bank Rev Bonds	0.850	11/15/2024			275,000.00	100.000	275,000.00	275,000.00	685	1.44	0.850
HTM	3130ATQD2	11/15/2022	AGCY CALL	FHLB	4.650	11/15/2024	11/15/2023	One Time	1,000,000.00	99.687	996,870.00	997,256.97	685	5.21	5.474
HTM	3135GACZ2	11/25/2022	AGCY CALL	FNMA	5.400	11/25/2024	5/23/2023	Quarterly	1,000,000.00	100.000	1,000,000.00	1,000,000.00	695	5.30	5.400
HTM	3130AMJX1	6/9/2021	AGCY CALL	FHLB	0.650	12/9/2024	1/9/2023	Monthly	1,500,000.00	100.000	1,500,000.00	1,500,000.00	709	8.11	0.650
HTM	365820HB8	7/22/2021	MUNICIPAL	Garfield Heights GO	3.100	12/15/2024	6/15/2023	Continuous	250,000.00	105.000	262,500.00	257,257.90	715	1.40	1.582
HTM	70962LBA9	1/31/2022	CD	Pentagon Federal Credit Union	1.250	1/31/2025			245,000.00	100.000	245,000.00	245,000.00	762	1.42	1.250
HTM	3133EMZ70	9/22/2021	AGCY CALL	FFCB	0.480	2/10/2025	1/17/2023	Continuous	1,000,000.00	99.900	999,000.00	999,375.00	772	5.88	0.510
HTM	57419TDX6	5/19/2021	MUNICIPAL	Maryland Community Dev	2.198	3/1/2025			265,000.00	105.260	278,939.00	273,022.40	791	1.65	0.784
HTM	473142QX8	5/6/2021	MUNICIPAL	Jefferson Cnty Consol Sch Distr	0.950	3/1/2025			280,000.00	100.000	280,000.00	280,000.00	791	1.69	0.950
HTM	3134GXQR8	4/28/2022	AGCY CALL	FHLMC	2.500	4/28/2025	1/28/2023	Quarterly	1,000,000.00	100.000	1,000,000.00	1,000,000.00	849	6.48	3.435
HTM	3133EM3E0	9/22/2021	AGCY CALL	FFCB	0.610	5/23/2025	1/17/2023	Continuous	1,000,000.00	99.990	999,900.00	999,934.79	874	6.67	0.613
HTM	57604TAB2	4/22/2021	MUNICIPAL	State of Mass Transportation	5.203	6/1/2025	Anytime	M-W Call	1,000,000.00	117.316	1,173,160.00	1,102,493.66	883	7.42	0.900
HTM	91476PDR6	7/1/2021	MUNICIPAL	University Okla	3.023	7/1/2025	2/8/2023	Continuous	300,000.00	102.425	307,275.00	304,610.35	913	2.12	2.383
HTM	882874KQ2	5/12/2021	MUNICIPAL	Texas Woman's University	4.000	7/1/2025			315,000.00	114.177	359,657.55	342,089.04	913	2.38	0.530
HTM	20772KJX8	4/22/2021	MUNICIPAL	State of Connecticut	2.098	7/1/2025	Anytime	M-W Call	235,000.00	105.254	247,346.90	242,405.04	913	1.69	0.820
HTM	3136G4A45	7/22/2020	AGCY CALL	FNMA	0.710	7/22/2025	1/22/2023	Quarterly	1,500,000.00	99.995	1,499,925.00	1,499,961.35	934	10.68	0.711
HTM	345102PG6	4/21/2021	MUNICIPAL	Foothill-De Anza Community	0.906	8/1/2025	Anytime	M-W Call	700,000.00	100.811	705,677.00	703,443.58	944	5.06	0.713
HTM	235308D75	4/22/2021	MUNICIPAL	Dallas ISD	4.000	8/15/2025			2,750,000.00	113.998	3,134,945.00	2,985,142.57	958	18.28	0.700
HTM	150461M57	10/23/2020	MUNICIPAL	City of Cedar Park	2.950	8/15/2025			2,360,000.00	110.976	2,619,033.60	2,502,022.77	958	21.81	0.630
HTM	3136G4N74	8/21/2020	AGCY CALL	FNMA	0.560	8/21/2025	2/21/2023	Quarterly	1,500,000.00	100.000	1,500,000.00	1,500,000.00	964	11.03	0.560
HTM	3136G4V59	8/27/2020	AGCY CALL	FNMA	0.625	8/27/2025	2/27/2023	Quarterly	1,500,000.00	100.000	1,500,000.00	1,500,000.00	970	11.10	0.625
HTM	3134GWUJ9	9/24/2020	AGCY CALL	FHLMC	0.570	9/24/2025	3/24/2023	Quarterly	2,000,000.00	100.000	2,000,000.00	2,000,000.00	998	15.22	0.570
HTM	088632CT9	4/20/2021	MUNICIPAL	Bi-State Development Agency	1.344	10/1/2025			1,525,000.00	101.536	1,548,424.00	1,539,584.68	1005	11.80	0.990
HTM	23542JQP3	4/19/2021	MUNICIPAL	City of Dallas Waterwork	1.007	10/1/2025			1,350,000.00	101.254	1,366,929.00	1,360,512.17	1005	10.43	0.720
HTM	64971M5K4	4/16/2021	MUNICIPAL	NYC Transit Fin Authority	5.075	11/1/2025	Anytime	M-W Call	520,000.00	118.156	614,411.20	579,315.25	1036	4.58	0.978
HTM	207580AR2	5/11/2021	MUNICIPAL	CT Green Bank Rev Bonds	1.200	11/15/2025			200,000.00	100.000	200,000.00	200,000.00	1050	1.60	1.200
HTM	3130AP2G9	9/30/2021	AGCY CALL	FHLB	0.750	12/30/2025	3/30/2023	Quarterly	1,000,000.00	100.000	1,000,000.00	1,000,000.00	1095	8.35	0.750
HTM	650009S20	4/22/2021	MUNICIPAL	NY Thruway Authority	2.406	1/1/2026	Anytime	M-W Call	400,000.00	105.955	423,820.00	415,351.29	1097	3.48	1.100
HTM	68607LXQ5	11/17/2022	MUNICIPAL	Oregon St	5.892	6/1/2027	Anytime	Sink/M-W Call	1,000,000.00	103.735	1,037,350.00	1,035,979.55	1106	8.74	4.600
HTM	419791YT9	4/23/2021	MUNICIPAL	Hawaii St	5.330	2/1/2026	Anytime	M-W Call	1,500,000.00	120.386	1,805,790.00	1,698,923.12	1128	14.62	0.950
HTM	64971WDP2	4/16/2021	MUNICIPAL	NYC Transit Fin Authority	3.780	2/1/2026	Anytime	M-W Call	700,000.00	108.848	761,936.00	740,349.69	1128	6.37	1.839
HTM	894673TA0	5/6/2021	MUNICIPAL	Tredyffrin/Easttown School	1.159	2/15/2026			275,000.00	100.900	277,475.00	276,626.39	1142	2.41	0.965
HTM	067167YR1	4/29/2021	MUNICIPAL	Barbers Hill TX ISD GO	4.000	2/15/2026			500,000.00	114.513	572,565.00	547,559.25	1142	4.77	0.900
HTM	473142QY6	5/6/2021	MUNICIPAL	Jefferson Cnty Consol Sch Distr	1.200	3/1/2026			300,000.00	100.000	300,000.00	300,000.00	1156	2.64	1.200
HTM	61945DAZ4	4/22/2021	MUNICIPAL	Mosaic District Dev Authority	1.711	3/1/2026	Anytime	M-W Call	250,000.00	102.882	257,205.00	254,733.22	1156	2.25	1.100
HTM	485106UX4	4/21/2021	MUNICIPAL	Kansas City	1.475	4/1/2026	Anytime	M-W Call	1,000,000.00	101.945	1,019,450.00	1,012,894.45	1187	9.17	1.070
HTM	46873TAD5	9/29/2021	MUNICIPAL	Jackson Energy Authority	3.400	4/1/2026	4/1/2023	Continuous	1,925,000.00	104.653	2,014,570.25	1,990,422.52	1187	18.02	2.307
HTM	6817126Z3	5/21/2021	MUNICIPAL	Omaha GO	0.983	4/15/2026			750,000.00	100.396	752,970.00	752,003.43	1201	6.89	0.900
HTM	3133EMXQ0	4/28/2021	AGCY CALL	FFCB	0.940	4/28/2026	1/17/2023	Continuous	1,000,000.00	100.000	1,000,000.00	1,000,000.00	1214	9.26	0.940
HTM	3130AMDE9	5/12/2021	AGCY CALL	FHLB	0.500	5/12/2026	2/12/2023	Quarterly	1,500,000.00	100.000	1,500,000.00	1,500,000.00	1228	14.05	1.191
HTM	83754LAX5	9/23/2021	MUNICIPAL	SD Educational Enhancement	1.495	6/1/2026	Anytime	M-W Call	1,000,000.00	100.815	1,008,150.00	1,005,979.46	1248	9.58	1.315
HTM	3130AMMJ8	6/9/2021	AGCY CALL	FHLB	0.400	6/9/2026	6/9/2023	One Time	1,000,000.00	100.000	1,000,000.00	1,000,000.00	1256	9.58	1.053
HTM	3130AMMW9	6/10/2021	AGCY CALL	FHLB	0.500	6/10/2026	3/10/2023	Quarterly	1,500,000.00	100.000	1,500,000.00	1,500,000.00	1257	14.38	1.194
HTM	56042RJ52	7/8/2021	MUNICIPAL	Maine Health & Higher Edu	1.304	7/1/2026	Anytime	M-W Call	200,000.00	101.229	202,458.00	201,738.89	1278	1.97	1.050
HTM	86666PAE8	11/8/2021	MUNICIPAL	Sun City Fire District AZ Maricopa Cnty COPs	1.707	7/1/2026			500,000.00	100.740	503,700.00	502,805.91	1278	4.90	1.541
HTM	3130AN5K2	7/20/2021	AGCY CALL	FHLB	0.300	7/20/2026			1,500,000.00	100.000	1,500,000.00	1,500,000.00	1297	14.84	1.254
HTM	795451AK9	8/12/2021	CD	Sallie Mae Bank	1.100	8/11/2026			245,000.00	100.000	245,000.00	245,000.00	1319	2.46	1.100
HTM	38149MZJ5	9/8/2021	CD	Goldman Sachs Bank	1.050	9/8/2026			245,000.00	100.000	245,000.00	245,000.00	1347	2.52	1.050
HTM	856285XL0	9/28/2021	CD	State Bank of India	1.150	9/28/2026			245,000.00	100.000	245,000.00	245,000.00	1367	2.55	1.150
HTM	3130AP6D2	9/30/2021	AGCY CALL	FHLB	1.000	9/30/2026	3/30/2023	Quarterly	1,000,000.00	100.000	1,000,000.00	1,000,000.00	1369	10.44	1.000
HTM	798111HF0	1/24/2022	MUNICIPAL	San Joaquin Hills Transportation Corridor Toll	2.153	1/15/2027	Anytime	M-W Call	750,000.00	100.957	757,177.50	755,872.39	1476	8.51	1.950
HTM	3130AQJ87	1/19/2022	AGCY CALL	FHLB	1.600	1/19/2027	1/19/2023	Quarterly	1,000,000.00	100.000	1,000,000.00	1,000,000.00	1480	11.29	1.600
HTM	3130AQPR8	2/18/2022	AGCY CALL	FHLB	1.300	2/18/2027	2/18/2023	Quarterly	1,000,000.00	100.000	1,000,000.00	1,000,000.00	1510	11.52	2.064
HTM	3130ARCD1	3/29/2022	AGCY CALL	FHLB	2.000	3/29/2027	3/29/2023	Quarterly	1,000,000.00	100.000	1,000,000.00	1,000,000.00	1549	11.81	3.252
HTM	3130ARGS4	4/14/2022	AGCY CALL	FHLB	2.000	4/14/2027	4/14/2023	Annually	1,000,000.00	100.000	1,000,000.00	1,000,000.00	1565	11.94	3.922
HTM	3130ASG52	6/30/2022	AGCY CALL	FHLB	4.100	6/30/2027	6/30/2023	Quarterly	1,000,000.00	100.000	1,000,000.00	1,000,000.00	1642	12.52	4.100
HTM	3130AT6R3	9/30/2022	AGCY CALL	FHLB	2.000	9/30/2027	3/30/2023	Quarterly	1,000,000.00	100.000	1,000,000.00	1,000,000.00	1734	13.22	6.253
HTM	3130ATLGO	10/27/2022	AGCY CALL	FHLB	4.000	10/27/2027	1/27/2023	Quarterly	1,000,000.00	100.000	1,000,000.00	1,000,000.00	1761	13.43	7.457
									129,700,470.86	102.150	132,489,213.38	131,115,550.87		593.97	2.254

TOWN OF ADDISON
Change in Value
From 09/30/2022 to 12/31/2022

CUSIP	Security Type	Security Description	CPN	Maturity	9/30/2022			12/31/2022		
					Book Value	Market Value	YTM	Book Value	Market Value	YTM
LOGIC	LGIP	LOGIC	0.000%	10/1/2022	20,244,058.25	20,244,058.25	2.969%	12,743,665.00	12,743,665.00	4.542%
TEXPOOL	LGIP	TexPool	0.000%	10/1/2022	1,007,118.01	1,007,118.01	2.847%	1,016,046.52	1,016,046.52	4.177%
TEXSTAR	LGIP	TexSTAR	0.000%	10/1/2022	1,006,548.36	1,006,548.36	2.767%	1,015,348.89	1,015,348.89	4.203%
TXCLASS	LGIP	Texas CLASS	0.000%	10/1/2022	3,457,823.52	3,457,823.52	3.143%	3,491,094.07	3,491,094.07	4.521%
46256QLX2	MUNICIPAL	State of Iowa Hospital Rev	0.200%	10/1/2022	1,000,000.00	1,000,000.00	0.850%	-	-	0.000%
64972C3F8	MUNICIPAL	NYC Housing Dev Rev	3.263%	11/1/2022	1,673,289.48	1,669,582.50	0.857%	-	-	0.000%
207580AN1	MUNICIPAL	CT Green Bank Rev Bonds	0.350%	11/15/2022	124,000.00	123,525.08	0.350%	-	-	0.000%
3133EFUJ4	AGCY BULET	FFCB	2.150%	12/29/2022	3,011,416.96	2,991,246.00	0.577%	-	-	0.000%
721305CS7	MUNICIPAL	Pike TWP Metro School Dist	1.850%	1/15/2023	384,662.37	382,520.60	2.150%	384,949.83	384,680.45	2.150%
882669BR4	MUNICIPAL	TX Pub Fin Auth	0.286%	2/1/2023	2,000,000.00	1,978,980.00	0.286%	2,000,000.00	1,993,200.00	0.286%
52908EPM9	MUNICIPAL	Lexington-Fayette Urban Cnty	5.500%	2/1/2023	502,994.72	501,770.00	3.650%	500,702.58	500,210.00	3.650%
473142QV2	MUNICIPAL	Jefferson Cnty Consol Sch Distr	0.450%	3/1/2023	260,000.00	256,058.40	0.450%	260,000.00	258,312.60	0.450%
3130ADRG9	AGCY BULET	FHLB	2.750%	3/10/2023	4,537,637.75	4,479,916.50	0.837%	4,516,180.90	4,487,238.00	0.837%
62384RAF3	CD	Mountain America CU	3.000%	3/27/2023	249,000.00	247,926.56	3.000%	249,000.00	248,337.91	3.000%
3130ASNH8	AGCY CALL	FHLB	3.000%	4/28/2023	1,000,000.00	992,378.00	3.000%	1,000,000.00	996,060.00	3.000%
912828R28	TREAS NOTE	U.S. Treasury	1.625%	4/30/2023	998,989.36	986,211.00	1.800%	999,422.95	990,703.00	1.800%
46640QS93	CP-DISC	JP Morgan CP	0.000%	5/9/2023	-	-	0.000%	1,965,616.14	1,965,772.00	4.920%
91435LAG2	CD	Greenstate Credit Union	3.050%	5/15/2023	243,648.86	238,718.88	0.600%	242,183.64	238,979.28	0.600%
89233HSR6	CP-DISC	Toyota Motor Credit	0.000%	5/25/2023	976,396.92	971,566.00	3.695%	985,443.44	980,521.00	3.695%
44963KAA6	CD	IH Mississippi Valley CU	2.900%	5/30/2023	245,000.00	243,314.40	2.900%	245,000.00	243,609.14	2.900%
427908EE4	MUNICIPAL	County of Hernando	0.365%	6/1/2023	250,000.00	243,987.50	0.365%	250,000.00	245,880.00	0.365%
46640QT68	CP-DISC	JP Morgan CP	0.000%	6/6/2023	974,051.85	969,525.00	0.376%	983,521.34	978,889.00	3.876%
034577AK2	CD	ANECA Federal Credit Union	3.200%	6/21/2023	250,684.88	244,715.63	0.552%	249,061.85	244,771.72	0.552%
3130ATCB1	AGCY CALL	FHLB	3.625%	6/28/2023	1,000,000.00	1,000,284.00	3.632%	1,000,000.00	999,193.00	3.632%
89841MAA5	CD	TruStone Financial CU	2.950%	6/29/2023	245,000.00	243,224.73	2.950%	245,000.00	243,399.17	2.950%
56042RJ29	MUNICIPAL	Maine Health Tax	0.509%	7/1/2023	250,000.00	242,040.00	0.509%	250,000.00	244,817.50	0.509%
73358W4V3	MUNICIPAL	Port Auth of NY & NJ Rev Bonds	1.086%	7/1/2023	1,005,453.53	974,840.00	0.356%	1,003,632.83	982,240.00	0.356%
742404AK2	MUNICIPAL	Princeton Theological	0.593%	7/1/2023	1,026,194.62	992,008.00	0.593%	1,017,449.14	991,438.00	0.593%
576004GV1	MUNICIPAL	Commonwealth of MA	3.564%	7/15/2023	999,677.39	994,010.00	3.600%	999,764.75	993,550.00	3.600%
443728GD6	MUNICIPAL	Hudson County NJ Imp Authority	3.875%	8/4/2023	-	-	0.000%	994,342.58	994,570.00	4.812%
3135G05R0	AGCY CALL	FNMA	0.300%	8/10/2023	2,998,326.11	2,899,284.00	0.365%	2,998,814.18	2,922,498.00	0.365%
46640QVE8	CP-DISC	JP Morgan CP	0.000%	8/14/2023	-	-	0.000%	968,891.41	968,415.00	5.148%
8923A1VF5	CP-DISC	Toyota Credit de Puerto Rico	0.000%	8/15/2023	-	-	0.000%	967,807.79	968,314.00	5.310%
3130AJZJ1	AGCY CALL	FHLB	0.320%	8/25/2023	2,666,263.59	2,567,005.34	0.337%	2,666,375.67	2,590,626.67	0.337%
8923A1VR9	CP-DISC	Toyota Credit de Puerto Rico	0.000%	8/25/2023	-	-	0.000%	966,408.87	966,845.00	5.305%
59447TXA6	MUNICIPAL	Michigan St Fin Auth Rev	2.366%	9/1/2023	984,545.32	979,190.00	4.101%	988,738.65	983,460.00	4.101%
20772KEU9	MUNICIPAL	State of Connecticut	3.621%	9/15/2023	1,015,268.22	991,850.00	2.000%	1,011,285.42	995,150.00	2.000%
130162AF7	CD	California CU	4.100%	9/22/2023	245,000.00	244,918.66	4.100%	245,000.00	244,144.95	4.100%
3130ATDT1	AGCY CALL	FHLB	4.020%	9/29/2023	2,000,000.00	2,001,574.00	4.020%	2,000,000.00	1,995,086.00	4.020%
3134GXQM9	AGCY CALL	FHLMC	2.400%	10/25/2023	1,000,000.00	978,047.00	2.400%	1,000,000.00	978,662.00	2.400%
207580AP6	MUNICIPAL	CT Green Bank Rev Bonds	0.550%	11/15/2023	300,000.00	287,673.00	0.550%	300,000.00	289,641.00	0.550%
549104TM9	CD	Luana Savings Bank	0.200%	11/20/2023	244,264.70	237,130.16	1.542%	245,083.67	238,572.78	1.542%
084244HX3	MUNICIPAL	Berkeley Cnty Rev	0.886%	12/1/2023	1,015,573.74	971,246.30	0.410%	1,014,377.14	976,781.10	0.410%
64763FTY5	MUNICIPAL	New Orleans GO	5.000%	12/1/2023	378,271.45	362,480.40	0.620%	374,355.75	360,792.00	0.620%
64966JAP1	MUNICIPAL	New York NY	5.687%	12/1/2023	1,024,703.33	1,014,980.00	3.500%	1,019,436.64	1,008,380.00	3.500%
3130ATVJ3	AGCY BULET	FHLB	5.000%	12/6/2023	-	-	0.000%	1,000,000.00	1,000,514.00	5.000%
60636UJQ3	MUNICIPAL	Missour St Environmental Impt	0.704%	1/1/2024	959,113.62	956,780.00	4.092%	967,192.83	960,480.00	4.092%
3130AQFK4	AGCY CALL	FHLB	0.760%	1/19/2024	999,511.63	951,973.00	0.798%	999,605.41	955,926.00	0.798%
882669BS2	MUNICIPAL	TX Pub Fin Auth	0.503%	2/1/2024	1,000,000.00	952,590.00	0.503%	1,000,000.00	955,100.00	0.503%

CUSIP	Security Type	Security Description	CPN	Maturity	Book Value	Market Value	YTM	Book Value	Market Value	YTM
473142QW0	MUNICIPAL	Jefferson Cnty Consol Sch Distr	0.650%	3/1/2024	200,000.00	189,936.00	0.650%	200,000.00	191,176.00	0.650%
20772GE61	MUNICIPAL	State of Connecticut	5.730%	3/15/2024	1,296,179.29	1,225,930.85	0.500%	1,280,531.35	1,219,701.00	0.500%
3130AND72	AGCY CALL	FHLB	0.430%	4/29/2024	1,000,000.00	937,382.00	0.430%	1,000,000.00	941,839.00	0.430%
3134GY2N1	AGCY CALL	FHLMC	5.170%	5/28/2024	-	-	0.000%	1,000,000.00	1,003,642.00	5.170%
912828XT2	TREAS NOTE	U.S. Treasury	2.000%	5/31/2024	993,171.98	963,359.00	2.420%	994,182.69	963,828.00	2.420%
427908EF1	MUNICIPAL	County of Hernando	0.589%	6/1/2024	250,000.00	235,102.50	0.589%	250,000.00	236,640.00	0.589%
3134GY5N8	AGCY CALL	FHLMC	5.250%	6/20/2024	-	-	0.000%	1,500,000.00	1,504,315.50	5.250%
56042RJ37	MUNICIPAL	Maine Health Tax	0.711%	7/1/2024	250,000.00	231,852.50	0.711%	250,000.00	235,067.50	0.711%
86666PAC2	MUNICIPAL	Sun City Fire District AZ Maricopa Cn	1.010%	7/1/2024	600,917.53	565,308.00	1.010%	600,786.24	568,710.00	1.010%
24951TAU9	CD	Department of Commerce	3.500%	7/1/2024	245,000.00	241,850.28	3.500%	245,000.00	241,024.63	3.500%
22551KAA0	CD	Credit Union of Texas	3.200%	7/22/2024	245,000.00	240,447.90	3.200%	245,000.00	239,818.50	3.200%
3130ASKS7	AGCY CALL	FHLB	3.750%	7/25/2024	1,000,000.00	982,885.00	3.750%	1,000,000.00	980,512.00	3.750%
79770GJA5	MUNICIPAL	San Francisco & CA County Redevelk	1.060%	8/1/2024	456,855.04	428,550.85	1.060%	456,602.66	427,950.25	1.060%
927781VU5	MUNICIPAL	Virginia ST Clg Bldg Auth Rev	4.750%	9/1/2024	814,252.91	759,567.75	0.620%	806,545.40	748,967.55	0.620%
05580AD68	CD	BMW Bank of North America	0.650%	9/17/2024	245,000.00	228,330.20	0.650%	245,000.00	229,183.05	0.650%
87165FA20	CD	Synchrony Bank	0.650%	9/17/2024	245,000.00	228,330.20	0.650%	245,000.00	229,183.05	0.650%
64966H4M9	MUNICIPAL	City of New York	5.047%	10/1/2024	5,815,474.44	5,570,397.20	0.559%	4,007,888.58	3,786,774.79	0.559%
3130APAF2	AGCY CALL	FHLB	0.520%	10/7/2024	1,000,000.00	922,655.00	0.520%	1,000,000.00	927,471.00	0.520%
20775C6C3	MUNICIPAL	Connecticut St Housing Auth	2.097%	11/15/2024	308,904.14	282,843.00	0.684%	307,859.03	283,665.00	0.684%
207580AQ4	MUNICIPAL	CT Green Bank Rev Bonds	0.850%	11/15/2024	275,000.00	253,965.25	0.850%	275,000.00	255,719.75	0.850%
3130ATQD2	AGCY CALL	FHLB	4.650%	11/15/2024	-	-	0.000%	997,256.97	995,277.00	5.474%
3135GACZ2	AGCY CALL	FNMA	5.400%	11/25/2024	-	-	0.000%	1,000,000.00	1,001,609.00	5.400%
3130AMJX1	AGCY CALL	FHLB	0.650%	12/9/2024	1,500,000.00	1,378,579.50	0.650%	1,500,000.00	1,386,328.50	0.650%
365820HB8	MUNICIPAL	Garfield Heights GO	3.100%	12/15/2024	258,175.51	241,600.00	1.582%	257,257.90	241,770.00	1.582%
70962LBA9	CD	Pentagon Federal Credit Union	1.250%	1/31/2025	245,000.00	228,331.67	1.250%	245,000.00	228,714.12	1.250%
3133EMZ70	AGCY CALL	FFCB	0.480%	2/10/2025	999,301.27	910,323.00	0.510%	999,375.00	916,408.00	0.510%
57419TDX6	MUNICIPAL	Maryland Community Dev	2.198%	3/1/2025	273,942.23	248,718.40	0.784%	273,022.40	249,669.75	0.784%
473142QX8	MUNICIPAL	Jefferson Cnty Consol Sch Distr	0.950%	3/1/2025	280,000.00	256,788.00	0.950%	280,000.00	258,358.80	0.950%
3134GXQR8	AGCY CALL	FHLMC	2.500%	4/28/2025	1,000,000.00	976,561.00	3.435%	1,000,000.00	974,464.00	3.435%
3133EM3E0	AGCY CALL	FFCB	0.610%	5/23/2025	999,927.95	903,563.00	0.613%	999,934.79	910,526.00	0.613%
57604TAB2	MUNICIPAL	State of Mass Transportation	5.203%	6/1/2025	1,113,004.77	1,011,510.00	0.900%	1,102,493.66	1,004,220.00	0.900%
882874KQ2	MUNICIPAL	Texas Woman's University	4.000%	7/1/2025	344,783.39	320,257.35	0.530%	342,089.04	323,816.85	0.530%
20772KJX8	MUNICIPAL	State of Connecticut	2.098%	7/1/2025	243,139.68	218,380.80	0.820%	242,405.04	221,033.95	0.820%
91476PDR6	MUNICIPAL	University Okla	3.023%	7/1/2025	305,061.10	287,079.00	2.383%	304,610.35	287,745.00	2.383%
3136G4A45	AGCY CALL	FNMA	0.710%	7/22/2025	1,499,957.60	1,350,889.50	0.711%	1,499,961.35	1,362,135.00	0.711%
345102PG6	MUNICIPAL	Foothill-De Anza Community	0.906%	8/1/2025	703,774.80	633,381.00	0.713%	703,443.58	638,351.00	0.713%
235308D75	MUNICIPAL	Dallas ISD	4.000%	8/15/2025	3,007,392.62	2,719,722.50	0.700%	2,985,142.57	2,710,592.50	0.700%
150461M57	MUNICIPAL	City of Cedar Park, TX	2.950%	8/15/2025	2,515,472.97	2,264,915.60	0.630%	2,502,022.77	2,266,260.80	0.630%
3136G4N74	AGCY CALL	FNMA	0.560%	8/21/2025	1,500,000.00	1,343,977.50	0.560%	1,500,000.00	1,356,139.50	0.560%
3136G4V59	AGCY CALL	FNMA	0.625%	8/27/2025	1,500,000.00	1,342,467.00	0.625%	1,500,000.00	1,354,803.00	0.625%
3134GWUG9	AGCY CALL	FHLMC	0.570%	9/24/2025	2,000,000.00	1,786,654.00	0.570%	2,000,000.00	1,793,112.00	0.570%
088632CT9	MUNICIPAL	Bi-State Development Agency	1.344%	10/1/2025	1,540,896.04	1,390,754.25	0.990%	1,539,584.68	1,397,738.75	0.990%
23542JQP3	MUNICIPAL	City of Dallas Waterwork	1.007%	10/1/2025	1,361,460.74	1,219,765.50	0.720%	1,360,512.17	1,227,001.50	0.720%
64971M5K4	MUNICIPAL	NYC Transit Fin Authority	5.075%	11/1/2025	584,487.90	527,930.00	0.978%	579,315.25	523,983.20	0.978%
207580AR2	MUNICIPAL	CT Green Bank Rev Bonds	1.200%	11/15/2025	200,000.00	179,590.00	1.200%	200,000.00	180,420.00	1.200%
3130AP2G9	AGCY CALL	FHLB	0.750%	12/30/2025	1,000,000.00	886,527.00	0.750%	1,000,000.00	896,018.00	0.750%
650009S20	MUNICIPAL	NY Thruway Authority	2.406%	1/1/2026	416,612.76	371,728.00	1.100%	415,351.29	371,572.00	1.100%
68189TBA3	MUNICIPAL	Omaha NE Spl Oblg	6.400%	2/1/2026	661,321.85	630,344.25	1.150%	653,383.64	626,758.80	1.150%
419791YT9	MUNICIPAL	Hawaii St	5.330%	2/1/2026	1,714,850.45	1,535,460.00	0.950%	1,698,923.12	1,531,635.00	0.950%
64971WDP2	MUNICIPAL	NYC Transit Fin Authority	3.780%	2/1/2026	743,551.12	681,121.00	1.839%	740,349.69	674,457.00	1.839%
70914PME9	MUNICIPAL	Penn St GO	4.650%	2/15/2026	1,586,681.90	1,471,504.25	0.700%	1,572,304.32	1,469,572.00	0.700%
894673TA0	MUNICIPAL	Tredyffrin/Easttown School	1.159%	2/15/2026	276,755.62	246,609.00	0.965%	276,626.39	243,130.25	0.965%
067167YR1	MUNICIPAL	Barbers Hill TX ISD GO	4.000%	2/15/2026	551,321.61	491,790.00	0.900%	547,559.25	491,105.00	0.900%
473142QY6	MUNICIPAL	Jefferson Cnty Consol Sch Distr	1.200%	3/1/2026	300,000.00	267,348.00	1.200%	300,000.00	268,512.00	1.200%

CUSIP	Security Type	Security Description	CPN	Maturity	Book Value	Market Value	YTM	Book Value	Market Value	YTM
61945DAZ4	MUNICIPAL	Mosaic District Dev Authority	1.711%	3/1/2026	255,101.41	225,915.00	1.100%	254,733.22	226,777.50	1.100%
485106UX4	MUNICIPAL	Kansas City	1.475%	4/1/2026	1,013,870.74	886,350.00	1.070%	1,012,894.45	882,460.00	1.070%
46873TAD5	MUNICIPAL	Jackson Energy Authority	3.400%	4/1/2026	1,995,286.55	1,848,423.50	2.307%	1,990,422.52	1,847,595.75	2.307%
6817126Z3	MUNICIPAL	Omaha GO	0.983%	4/15/2026	752,154.33	663,900.00	0.900%	752,003.43	669,585.00	0.900%
3133EMXQ0	AGCY CALL	FFCB	0.940%	4/28/2026	1,000,000.00	884,580.00	0.940%	1,000,000.00	893,677.00	0.940%
3130AMDE9	AGCY CALL	FHLB	0.500%	5/12/2026	1,500,000.00	1,343,899.50	1.191%	1,500,000.00	1,352,181.00	1.191%
83754LAX5	MUNICIPAL	SD Educational Enhancement	1.495%	6/1/2026	1,006,408.85	875,820.00	1.315%	1,005,979.46	883,070.00	1.315%
3130AMMJ8	AGCY CALL	FHLB	0.400%	6/9/2026	1,000,000.00	891,471.00	1.053%	1,000,000.00	903,489.00	1.053%
3130AMMW9	AGCY CALL	FHLB	0.500%	6/10/2026	1,500,000.00	1,342,839.00	1.194%	1,500,000.00	1,356,981.00	1.194%
56042RJ52	MUNICIPAL	Maine Health & Higher Edu	1.304%	7/1/2026	201,861.10	172,974.00	1.050%	201,738.89	176,062.00	1.050%
86666PAE8	MUNICIPAL	Sun City Fire District AZ Maricopa Cn	1.541%	7/1/2026	503,002.10	448,075.00	1.541%	502,805.91	449,495.00	1.541%
3130AN5K2	AGCY CALL	FHLB	0.300%	7/20/2026	1,500,000.00	1,358,479.50	1.254%	1,500,000.00	1,366,005.00	1.254%
795451AK9	CD	Sallie Mae Bank	1.100%	8/11/2026	245,000.00	216,900.71	1.100%	245,000.00	216,837.25	1.100%
38149MZJ5	CD	Goldman Sachs Bank	1.050%	9/8/2026	245,000.00	216,000.58	1.050%	245,000.00	215,921.69	1.050%
856285XL0	CD	State Bank of India	1.150%	9/28/2026	245,000.00	216,517.28	1.150%	245,000.00	216,348.48	1.150%
3130AP6D2	AGCY CALL	FHLB	1.000%	9/30/2026	1,000,000.00	873,772.00	1.000%	1,000,000.00	882,918.00	1.000%
798111HF0	MUNICIPAL	San Joaquin Hills Transportation Corr	2.153%	1/15/2027	756,223.27	668,265.00	1.950%	755,872.39	673,395.00	1.950%
3130AQJ87	AGCY CALL	FHLB	1.600%	1/19/2027	1,000,000.00	888,113.00	1.600%	1,000,000.00	896,233.00	1.600%
3130AQPR8	AGCY CALL	FHLB	1.300%	2/18/2027	1,000,000.00	907,690.00	2.064%	1,000,000.00	916,777.00	2.064%
3130ARCD1	AGCY CALL	FHLB	2.000%	3/29/2027	1,000,000.00	935,401.00	3.252%	1,000,000.00	942,300.00	3.252%
3130ARGS4	AGCY CALL	FHLB	2.000%	4/14/2027	1,000,000.00	951,828.00	3.922%	1,000,000.00	958,004.00	3.922%
68607LXQ5	MUNICIPAL	Oregon St	5.892%	6/1/2027	-	-	0.000%	1,035,979.55	1,031,150.00	4.600%
3130ASG52	AGCY CALL	FHLB	4.100%	6/30/2027	1,000,000.00	962,895.00	4.100%	1,000,000.00	965,054.00	4.100%
3130AT6R3	AGCY CALL	FHLB	4.000%	9/30/2027	1,000,000.00	1,001,124.00	6.253%	1,000,000.00	999,539.00	6.253%
3130ATLG0	AGCY CALL	FHLB	4.000%	10/27/2027	-	-	0.000%	1,000,000.00	998,578.00	7.457%
Total for Pooled Funds					132,941,026.10	126,674,715.40	1.687%	131,115,550.87	125,350,795.26	2.254%

TOWN OF ADDISON

Earned Income

From 09/30/2022 to 12/31/2022

CUSIP	Security Type	Security Description	Beg Accrued	Interest Purchased	Interest Earned	Interest Rec'd	End Accrued	Accr/Amort	Interest Rev
LOGIC	LGIP	LOGIC	-	-	144,795.08	144,795.08	-	-	144,795.08
TEXPOOL	LGIP	TexPool	-	-	8,928.51	8,928.51	-	-	8,928.51
TEXSTAR	LGIP	TexSTAR	-	-	8,800.53	8,800.53	-	-	8,800.53
TXCLASS	LGIP	Texas CLASS	-	-	33,270.55	33,270.55	-	-	33,270.55
207580AN1	MUNICIPAL	CT Green Bank Rev Bonds	164.01	-	52.99	217.00	-	-	52.99
3133EFUJ4	AGCY BULET	FFCB	16,483.33	-	15,766.67	32,250.00	-	(11,416.96)	4,349.71
882669BR4	MUNICIPAL	TX Pub Fin Auth	953.39	-	1,430.01	-	2,383.40	-	1,430.01
473142QV2	MUNICIPAL	Jefferson Cnty Consol Sch Distr	97.50	-	292.50	-	390.00	-	292.50
3130ADRG9	AGCY BULET	FHLB	7,218.75	-	30,937.50	-	38,156.25	(21,456.85)	9,480.65
91435LAG2	CD	Greenstate Credit Union	581.87	-	1,830.00	1,824.98	586.89	(1,465.22)	364.78
427908EE4	MUNICIPAL	County of Hernando	304.14	-	228.12	456.25	76.01	-	228.12
034577AK2	CD	ANECA Federal Credit Union	2,180.98	-	1,968.00	3,946.78	202.20	(1,623.03)	344.97
56042RJ29	MUNICIPAL	Maine Health Tax	318.10	-	318.12	-	636.22	-	318.12
73358W4V3	MUNICIPAL	Port Auth of NY & NJ Rev Bonds	2,715.01	-	2,715.00	-	5,430.01	(1,820.70)	894.30
3135G05R0	AGCY CALL	FNMA	1,275.00	-	2,250.00	-	3,525.00	488.07	2,738.07
3130AJZJ1	AGCY CALL	FHLB	853.30	-	2,133.33	-	2,986.63	112.08	2,245.41
207580AP6	MUNICIPAL	CT Green Bank Rev Bonds	623.34	-	412.50	825.00	210.84	-	412.50
084244HX3	MUNICIPAL	Berkeley Cnty Rev	2,982.92	-	2,237.16	4,474.30	745.78	(1,196.60)	1,040.56
64763FTY5	MUNICIPAL	New Orleans GO	6,000.00	-	4,500.00	9,000.00	1,500.00	(3,915.70)	584.30
882669BS2	MUNICIPAL	TX Pub Fin Auth	838.40	-	1,257.51	-	2,095.91	-	1,257.51
473142QW0	MUNICIPAL	Jefferson Cnty Consol Sch Distr	108.28	-	324.99	-	433.27	-	324.99
20772GE61	MUNICIPAL	State of Connecticut	3,068.82	-	17,261.64	-	20,330.46	(15,647.94)	1,613.70
3130AND72	AGCY CALL	FHLB	740.51	-	1,074.99	-	1,815.50	-	1,074.99
427908EF1	MUNICIPAL	County of Hernando	490.86	-	368.13	736.25	122.74	-	368.13
56042RJ37	MUNICIPAL	Maine Health Tax	444.45	-	444.39	-	888.84	-	444.39
927781VU5	MUNICIPAL	Virginia ST Clg Bldg Auth Rev	2,988.51	-	8,965.62	-	11,954.13	(7,707.51)	1,258.11
05580AD68	CD	BMW Bank of North America	66.37	-	398.13	-	464.50	-	398.13
87165FA20	CD	Synchrony Bank	66.37	-	398.13	-	464.50	-	398.13
64966H4M9	MUNICIPAL	City of New York	140,306.55	-	47,878.98	140,306.60	47,878.93	(42,235.57)	5,643.41
20775C6C3	MUNICIPAL	Connecticut St Housing Auth	2,376.60	-	1,572.75	3,145.50	803.85	(1,045.11)	527.64
207580AQ4	MUNICIPAL	CT Green Bank Rev Bonds	883.03	-	584.37	1,168.75	298.65	-	584.37
3130AMJX1	AGCY CALL	FHLB	3,033.33	-	2,437.50	4,875.00	595.83	-	2,437.50
365820HB8	MUNICIPAL	Garfield Heights GO	2,281.90	-	1,937.49	3,875.00	344.39	(917.61)	1,019.88
3133EMZ70	AGCY CALL	FFCB	680.00	-	1,200.00	-	1,880.00	73.73	1,273.73
57419TDX6	MUNICIPAL	Maryland Community Dev	485.37	-	1,456.17	-	1,941.54	(919.83)	536.34
473142QX8	MUNICIPAL	Jefferson Cnty Consol Sch Distr	221.72	-	665.01	-	886.73	-	665.01
3133EM3E0	AGCY CALL	FFCB	2,168.85	-	1,524.99	3,050.00	643.84	6.84	1,531.83
57604TAB2	MUNICIPAL	State of Mass Transportation	17,343.28	-	13,007.49	26,015.00	4,335.77	(10,511.11)	2,496.38
91476PDR6	MUNICIPAL	University Okla	2,267.25	-	2,267.25	-	4,534.50	(450.75)	1,816.50
882874KQ2	MUNICIPAL	Texas Woman's University	3,150.00	-	3,150.00	-	6,300.00	(2,694.35)	455.65
20772KJX8	MUNICIPAL	State of Connecticut	1,232.61	-	1,232.58	-	2,465.19	(734.64)	497.94
3136G4A45	AGCY CALL	FNMA	2,041.25	-	2,662.50	-	4,703.75	3.75	2,666.25
345102PG6	MUNICIPAL	Foothill-De Anza Community	1,057.00	-	1,585.50	-	2,642.50	(331.22)	1,254.28
235308D75	MUNICIPAL	Dallas ISD	14,055.61	-	27,500.01	-	41,555.62	(22,250.05)	5,249.96

CUSIP	Security Type	Security Description	Beg Accrued	Interest Purchased	Interest Earned	Interest Rec'd	End Accrued	Accr/Amort	Interest Rev
150461M57	MUNICIPAL	City of Cedar Park	8,895.95	-	17,405.01	-	26,300.96	(13,450.20)	3,954.81
3136G4N74	AGCY CALL	FNMA	933.33	-	2,100.00	-	3,033.33	-	2,100.00
3136G4V59	AGCY CALL	FNMA	885.42	-	2,343.75	-	3,229.17	-	2,343.75
3134GWUG9	AGCY CALL	FHLMC	221.67	-	2,850.00	-	3,071.67	-	2,850.00
088632CT9	MUNICIPAL	Bi-State Development Agency	10,248.00	-	5,124.00	10,248.00	5,124.00	(1,311.36)	3,812.64
23542JQP3	MUNICIPAL	City of Dallas Waterwork	6,797.34	-	3,398.64	6,797.25	3,398.73	(948.57)	2,450.07
64971M5K4	MUNICIPAL	NYC Transit Fin Authority	10,995.89	-	6,597.51	13,195.00	4,398.40	(5,172.65)	1,424.86
207580AR2	MUNICIPAL	CT Green Bank Rev Bonds	906.66	-	600.00	1,200.00	306.66	-	600.00
3130AP2G9	AGCY CALL	FHLB	20.83	-	1,875.00	-	1,895.83	-	1,875.00
650009S20	MUNICIPAL	NY Thruway Authority	2,406.00	-	2,406.00	-	4,812.00	(1,261.47)	1,144.53
68189TBA3	MUNICIPAL	Omaha NE Spl Oblg	6,560.00	-	9,840.00	-	16,400.00	(7,938.21)	1,901.79
419791YT9	MUNICIPAL	Hawaii St	13,325.00	-	19,987.50	-	33,312.50	(15,927.33)	4,060.17
64971WDP2	MUNICIPAL	NYC Transit Fin Authority	4,410.00	-	6,615.00	-	11,025.00	(3,201.43)	3,413.57
70914PME9	MUNICIPAL	Penn St GO	8,573.47	-	17,146.89	-	25,720.36	(14,377.58)	2,769.31
894673TA0	MUNICIPAL	Tredyffrin/Easttown School	407.19	-	796.80	-	1,203.99	(129.23)	667.57
067167YR1	MUNICIPAL	Barbers Hill TX ISD GO	2,555.61	-	5,000.01	-	7,555.62	(3,762.36)	1,237.65
473142QY6	MUNICIPAL	Jefferson Cnty Consol Sch Distr	300.00	-	900.00	-	1,200.00	-	900.00
61945DAZ4	MUNICIPAL	Mosaic District Dev Authority	356.49	-	1,069.38	-	1,425.87	(368.19)	701.19
485106UX4	MUNICIPAL	Kansas City	7,334.08	-	3,687.51	7,375.00	3,646.59	(976.29)	2,711.22
46873TAD5	MUNICIPAL	Jackson Energy Authority	32,725.04	-	16,362.51	32,725.00	16,362.55	(4,864.03)	11,498.48
6817126Z3	MUNICIPAL	Omaha GO	3,399.62	-	1,843.14	3,686.25	1,556.51	(150.90)	1,692.24
3133EMXQ0	AGCY CALL	FFCB	3,994.94	-	2,349.99	4,700.00	1,644.93	-	2,349.99
3130AMDE9	AGCY CALL	FHLB	5,750.00	-	3,750.00	7,500.00	2,000.00	-	3,750.00
83754LAX5	MUNICIPAL	SD Educational Enhancement	4,983.29	-	3,737.49	7,475.00	1,245.78	(429.39)	3,308.10
3130AMMJ8	AGCY CALL	FHLB	1,233.28	-	999.99	2,000.00	233.27	-	999.99
3130AMMW9	AGCY CALL	FHLB	4,010.42	-	3,385.42	6,562.50	833.34	-	3,385.42
56042RJ52	MUNICIPAL	Maine Health & Higher Edu	651.95	-	651.99	-	1,303.94	(122.21)	529.78
3130AN5K2	AGCY CALL	FHLB	4,437.50	-	5,625.00	-	10,062.50	-	5,625.00
795451AK9	CD	Sallie Mae Bank	381.64	-	673.74	-	1,055.38	-	673.74
38149MZJ5	CD	Goldman Sachs Bank	171.56	-	643.14	-	814.70	-	643.14
856285XL0	CD	State Bank of India	31.29	-	704.37	-	735.66	-	704.37
3130AP6D2	AGCY CALL	FHLB	27.74	-	2,499.99	-	2,527.73	-	2,499.99
3130APAF2	AGCY CALL	FHLB	2,513.30	-	1,299.99	2,600.00	1,213.29	-	1,299.99
742404AK2	MUNICIPAL	Princeton Theological	10,262.47	-	10,262.49	-	20,524.96	(8,745.48)	1,517.01
86666PAC2	MUNICIPAL	Sun City Fire District AZ Maricopa Cn	1,648.49	-	1,648.50	-	3,296.99	(131.29)	1,517.21
86666PAE8	MUNICIPAL	Sun City Fire District AZ Maricopa Cn	2,133.75	-	2,133.75	-	4,267.50	(196.19)	1,937.56
79770GJA5	MUNICIPAL	San Francisco & CA County Redevelc	975.23	-	1,462.83	-	2,438.06	(252.38)	1,210.45
3130ARCD1	AGCY CALL	FHLB	55.58	-	5,000.01	-	5,055.59	-	5,000.01
46256QLX2	MUNICIPAL	State of Iowa Hospital Rev	166.67	-	-	166.67	-	-	-
64972C3F8	MUNICIPAL	NYC Housing Dev Rev	22,705.05	-	4,541.00	27,246.05	-	(3,289.48)	1,251.52
549104TM9	CD	Luana Savings Bank	184.57	-	123.99	250.04	58.52	818.97	942.96
3130AQPR8	AGCY CALL	FHLB	1,588.87	-	3,249.99	-	4,838.86	-	3,249.99
70962LBA9	CD	Pentagon Federal Credit Union	19.73	-	765.63	511.81	273.55	-	765.63
798111HF0	MUNICIPAL	San Joaquin Hills Transportation Corr	3,408.95	-	4,036.89	-	7,445.84	(350.88)	3,686.01
3130AQFK4	AGCY CALL	FHLB	1,519.97	-	1,899.99	-	3,419.96	93.78	1,993.77
3130AQJ87	AGCY CALL	FHLB	3,199.97	-	3,999.99	-	7,199.96	-	3,999.99
44963KAA6	CD	IH Mississippi Valley CU	1,795.98	-	1,776.24	-	3,572.22	-	1,776.24
3130ASG52	AGCY CALL	FHLB	10,250.21	-	10,250.01	20,500.00	0.22	-	10,250.01
89841MAA5	CD	TruStone Financial CU	25.30	-	1,806.87	1,801.92	30.25	-	1,806.87

CUSIP	Security Type	Security Description	Beg Accrued	Interest Purchased	Interest Earned	Interest Rec'd	End Accrued	Accr/Amort	Interest Rev
24951TAU9	CD	Department of Commerce	30.01	-	2,143.74	2,137.87	35.88	-	2,143.74
62384RAF3	CD	Mountain America CU	292.20	-	1,867.50	1,862.38	297.32	-	1,867.50
3134GXQR8	AGCY CALL	FHLMC	10,555.54	-	6,680.56	12,500.00	4,736.10	-	6,680.56
3134GXQM9	AGCY CALL	FHLMC	10,333.33	-	6,000.00	12,000.00	4,333.33	-	6,000.00
3130ARG54	AGCY CALL	FHLB	9,222.24	-	5,000.01	10,000.00	4,222.25	-	5,000.01
912828R28	TREAS NOTE	U.S. Treasury	6,770.81	-	4,062.51	8,125.00	2,708.32	433.59	4,496.10
912828XT2	TREAS NOTE	U.S. Treasury	6,666.60	-	5,000.01	10,000.00	1,666.61	1,010.71	6,010.72
721305CS7	MUNICIPAL	Pike TWP Metro School Dist	1,483.85	-	1,780.62	-	3,264.47	287.46	2,068.08
20772KEU9	MUNICIPAL	State of Connecticut	1,508.75	-	9,052.50	-	10,561.25	(3,982.80)	5,069.70
3130AT6R3	AGCY CALL	FHLB	111.11	-	9,999.99	-	10,111.10	-	9,999.99
3130ATDT1	AGCY CALL	FHLB	223.33	-	2,511.24	-	2,734.57	-	2,511.24
3130ATCB1	AGCY CALL	FHLB	201.39	-	9,062.49	9,062.50	201.38	-	9,062.49
130162AF7	CD	California CU	223.22	-	20,100.00	-	20,323.22	-	20,100.00
60636UJQ3	MUNICIPAL	Missour St Environmental Impt	1,760.00	-	1,760.01	-	3,520.01	8,079.21	9,839.22
52908EPM9	MUNICIPAL	Lexington-Fayette Urban Cnty	4,583.33	-	6,875.01	-	11,458.34	(2,292.14)	4,582.87
59447TXA6	MUNICIPAL	Michigan St Fin Auth Rev	1,971.66	-	5,915.01	-	7,886.67	4,193.33	10,108.34
576004GV1	MUNICIPAL	Commonwealth of MA	2,970.00	-	8,910.00	-	11,880.00	87.36	8,997.36
89233HSR6	CP-DISC	Toyota Motor Credit	-	-	-	-	-	9,046.52	9,046.52
46640QT68	CP-DISC	JP Morgan CP	-	-	-	-	-	9,469.49	9,469.49
64966JAP1	MUNICIPAL	New York NY	18,956.67	-	14,217.51	28,435.00	4,739.18	(5,266.69)	8,950.82
3130ASNH8	AGCY CALL	FHLB	5,166.67	-	7,500.00	-	12,666.67	-	7,500.00
3130ASKS7	AGCY CALL	FHLB	6,770.83	-	9,375.00	-	16,145.83	-	9,375.00
22551KAA0	CD	Credit Union of Texas	1,524.44	-	1,959.99	-	3,484.43	-	1,959.99
443728GD6	MUNICIPAL	Hudson County NJ Imp Authority	-	7,965.28	7,642.37	-	15,607.65	1,782.58	9,424.95
3130ATLG0	AGCY CALL	FHLB	-	-	6,999.99	-	6,999.99	-	6,999.99
3130ATVJ3	AGCY BULET	FHLB	-	-	7,361.11	-	7,361.11	-	7,361.11
46640QS93	CP-DISC	JP Morgan CP	-	-	-	-	-	13,893.92	13,893.92
3130ATQD2	AGCY CALL	FHLB	-	-	5,812.50	-	5,812.50	386.97	6,199.47
46640QVE8	CP-DISC	JP Morgan CP	-	-	-	-	-	6,066.41	6,066.41
68607LXQ5	MUNICIPAL	Oregon St	-	27,168.67	7,201.33	29,460.00	4,910.00	(1,370.45)	5,830.88
8923A1VF5	CP-DISC	Toyota Credit de Puerto Rico	-	-	-	-	-	6,107.79	6,107.79
3135GACZ2	AGCY CALL	FNMA	-	-	5,250.00	-	5,250.00	-	5,250.00
8923A1VR9	CP-DISC	Toyota Credit de Puerto Rico	-	-	-	-	-	4,536.93	4,536.93
3134GY2N1	AGCY CALL	FHLMC	-	-	4,308.33	-	4,308.33	-	4,308.33
3134GY5N8	AGCY CALL	FHLMC	-	-	2,187.50	-	2,187.50	-	2,187.50
Total for Pooled Funds			546,859.83	35,133.95	797,787.46	712,084.32	667,696.92	(181,630.44)	616,157.02

STIFEL

PORTFOLIO REVIEW AND ANALYSIS

Town of Addison
Dallas, TX

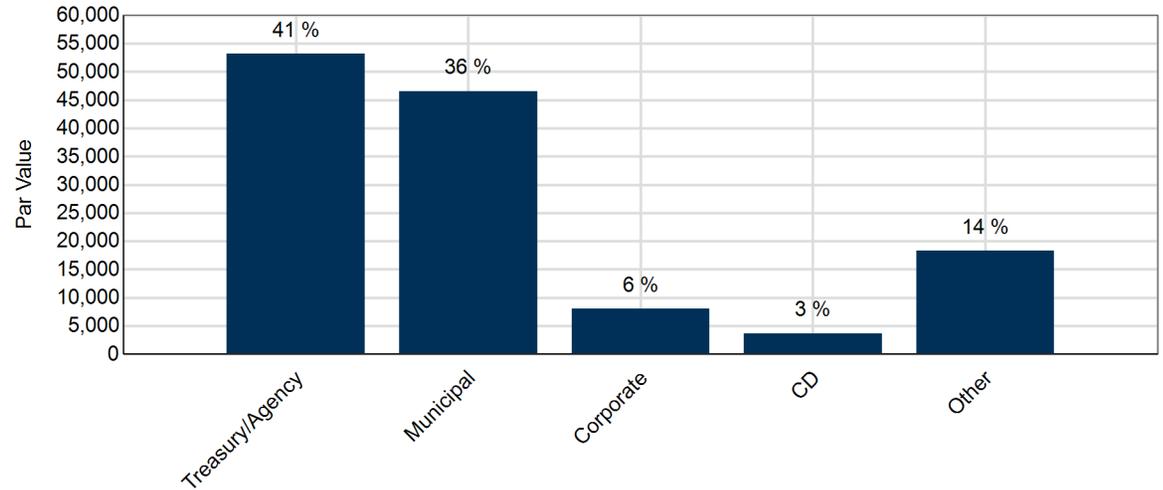
As of Date: 12/31/2022 | Pricing as of: 12/30/2022 | Date of Analysis: 01/09/2023



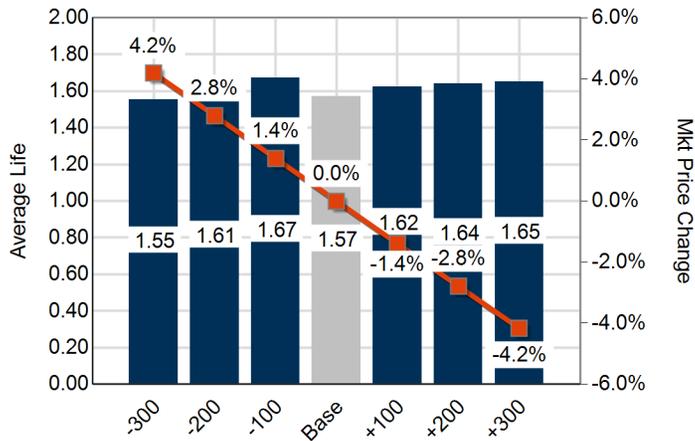
Portfolio Overview

Book Value	131,116
# Securities	121
Average Size (Book)	1,084
Book Yield	2.31
Market Yield	4.72
\$ Gain/Loss	-5,726
% Gain/Loss	-4.4%
Average Life	1.57
Average Life +300bps	1.65
% Price Change +100bps	-1.40
% Price Change +300bps	-4.17
Effective Duration	1.39
Effective Convexity	-0.01
AFS / HTM%	100% / 0%
Fixed / Floating	100% / 0%
ESG/Green Par (000's)	\$2,230 / \$775

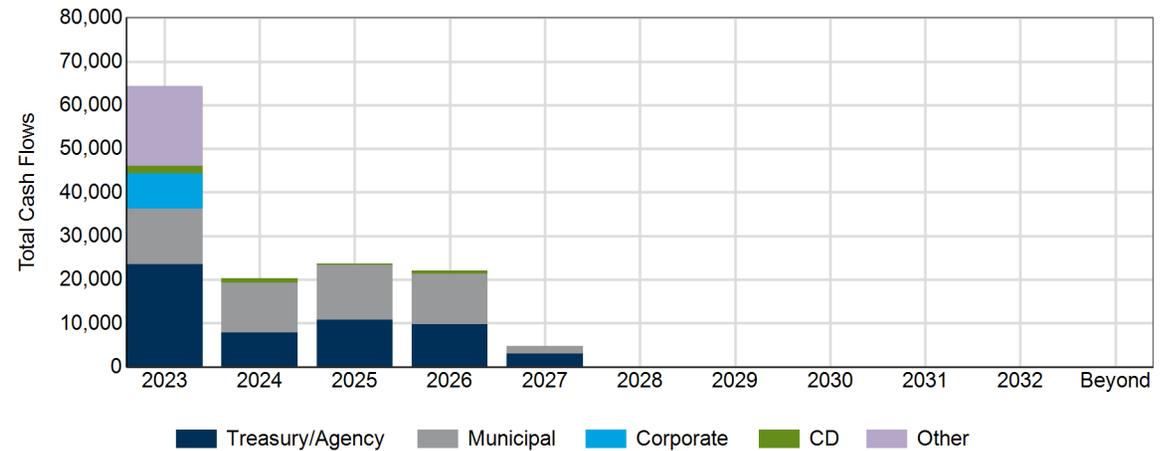
Sector Allocation



Average Life vs Price Sensitivity



Annual Projected Cash Flows By Sector



Historical Portfolio Overview

	12/31/2022	11/30/2022	10/31/2022	09/30/2022
Book Value	131,116	130,992	129,913	131,941
Book Yield	2.31	2.14	1.88	1.81
Book Yield (+100)	2.33	2.16	1.90	1.83
Book Yield (+300)	2.34	2.17	1.91	1.84
Book Yield (-100)	2.28	2.11	1.86	1.79
WAL	1.57	1.64	1.64	1.67
WAL (+100)	1.62	1.68	1.67	1.71
WAL (+300)	1.65	1.71	1.69	1.73
WAL (-100)	1.67	1.72	1.74	1.77
% Price Change (+100)	-1.4%	-1.4%	-1.5%	-1.5%
% Price Change (+300)	-4.2%	-4.3%	-4.3%	-4.4%
% Price Change (-100)	1.4%	1.4%	1.5%	1.5%
Effective Duration	1.39	1.43	1.45	1.50
Effective Convexity	-0.01	0.01	0.02	0.00
\$ Gain/Loss	-5,726	-5,855	-6,672	-6,150
% Gain/Loss	-4.4%	-4.5%	-5.1%	-4.7%
Principal Cash Flow 2 yrs out	63%	62%	61%	62%
Principal Cash Flow 2 yrs out (+100)	62%	61%	60%	61%
Principal Cash Flow 2 yrs out (+300)	62%	61%	60%	61%
Principal Cash Flow 2 yrs out (-100)	62%	62%	61%	62%

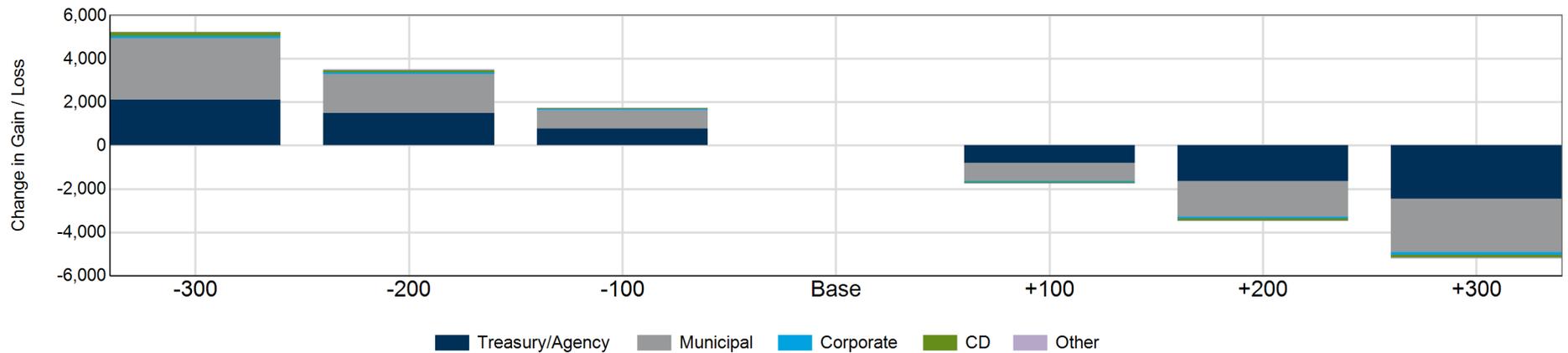
Portfolio Sector Summary

Sector	Portfolio %	Par			Book		Market		% Price Change			Gain/(Loss)		Effective			AFS
		Value	Cpn	Maturity	Value	Yield	Value	Yield	-100	+100	+300	\$	%	WAL	Dur	Cvx	%
Treasury (2)	1.5%	2,000	1.81	0.9 yrs	1,994	2.11	1,954	4.59	0.8	-0.8	-2.4	-40	-2.0%	0.87	0.83	0.02	100 %
Agency Bullet (4)	5.8%	7,500	3.20	0.3 yrs	7,516	2.08	7,474	4.64	0.3	-0.3	-1.0	-42	-0.6%	0.35	0.34	0.00	100 %
Callable Agency (23)	24.0%	31,167	1.62	1.9 yrs	31,164	1.63	29,420	4.74	1.6	-1.7	-5.0	-1,744	-5.6%	1.82	1.63	-0.06	100 %
Agency Step (11)	9.6%	12,500	2.11	3.6 yrs	12,497	2.79	11,775	4.70	2.2	-2.4	-7.4	-722	-5.8%	2.80	2.27	-0.19	100 %
Treasury/Agency (40)	41.0%	53,167	1.97	2.1 yrs	53,171	1.98	50,623	4.71	1.5	-1.6	-4.9	-2,548	-4.8%	1.81	1.56	-0.08	100 %
GM REV (1)	0.2%	315	4.00	2.5 yrs	342	0.68	324	3.51	2.4	-2.3	-6.8	-18	-5.2%	2.50	2.30	0.06	100 %
Taxable GO (22)	16.3%	21,080	4.04	2.2 yrs	22,193	1.54	20,713	4.80	2.1	-2.0	-5.9	-1,480	-6.7%	2.22	2.03	0.06	100 %
Taxable REV (35)	19.4%	25,195	2.11	3.0 yrs	25,608	1.58	24,131	4.76	1.8	-1.7	-5.0	-1,477	-5.8%	1.94	1.73	0.05	100 %
Municipal (58)	35.9%	46,590	3.00	2.6 yrs	48,143	1.56	45,169	4.77	1.9	-1.9	-5.4	-2,974	-6.2%	2.07	1.87	0.05	100 %
Services (1)	0.8%	1,000	4.11	0.5 yrs	1,017	0.62	999	4.33	0.5	-0.5	-1.5	-19	-1.8%	0.50	0.48	0.00	100 %
Corporate Other (6)	5.4%	7,000	0.00	0.5 yrs	6,838	4.72	6,838	4.72	0.5	-0.5	-1.4	0	0.0%	0.49	0.48	0.01	100 %
Corporate (7)	6.2%	8,000	0.51	0.5 yrs	7,855	4.19	7,837	4.67	0.5	-0.5	-1.4	-19	-0.2%	0.49	0.48	0.01	100 %
NCD (15)	2.8%	3,678	2.13	1.5 yrs	3,680	1.87	3,495	5.16	1.4	-1.4	-4.1	-185	-5.0%	1.55	1.42	0.04	100 %
CD (15)	2.8%	3,678	2.13	1.5 yrs	3,680	1.87	3,495	5.16	1.4	-1.4	-4.1	-185	-5.0%	1.55	1.42	0.04	100 %
Cash & Other (1)	14.1%	18,266	4.50	0.1 yrs	18,266	4.54	18,266	4.54	0.1	-0.1	-0.3	0	0.0%	0.08	0.09	0.00	100 %
Other (1)	14.1%	18,266	4.50	0.1 yrs	18,266	4.54	18,266	4.54	0.1	-0.1	-0.3	0	0.0%	0.08	0.09	0.00	100 %
Total (121)	100.0%	129,700	2.61	1.9 yrs	131,116	2.31	125,390	4.72	1.4	-1.4	-4.2	-5,726	-4.4%	1.57	1.39	-0.01	100 %

Shocked Analysis

	-300	-200	-100	Base	+100	+200	+300
Par Value	129,700	129,700	129,700	129,700	129,700	129,700	129,700
Book Value	131,116	131,116	131,116	131,116	131,116	131,116	131,116
Market Value	130,643	128,897	127,141	125,390	123,640	121,895	120,163
Gain/(Loss)	-473	-2,219	-3,975	-5,726	-7,475	-9,221	-10,952
Gain/(Loss) %	-0.4%	-1.7%	-3.0%	-4.4%	-5.7%	-7.0%	-8.4%
Gain/(Loss) % - Chg from Base	4.2%	2.8%	1.4%	0.0%	-1.4%	-2.8%	-4.2%
Book Price	101.09	101.09	101.09	101.09	101.09	101.09	101.09
Book Yield	2.05	2.08	2.28	2.31	2.33	2.34	2.34
Market Price	100.73	99.38	98.03	96.68	95.33	93.98	92.65
Market Yield	1.72	2.73	3.71	4.72	5.70	6.69	7.68
WAL	1.55	1.61	1.67	1.57	1.62	1.64	1.65

Change in Gain/Loss by Rate Shock Scenario

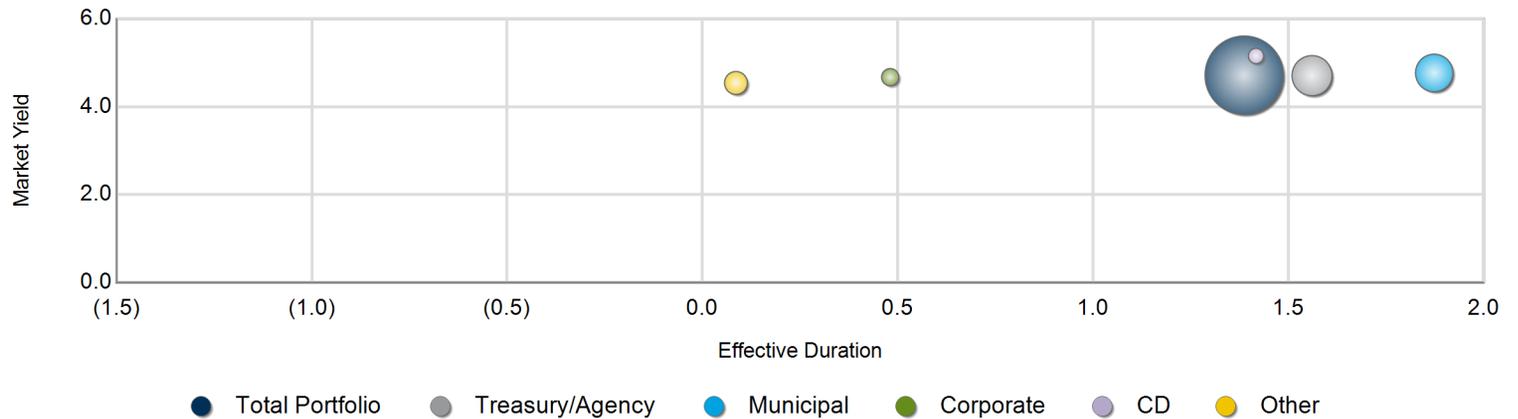


Price Risk & Market Value Change by Sector

Sector	AFS						HTM					
	% Change in Market Value from Level					Eff Dur	% Change in Market Value from Level					Eff Dur
	-100	Mkt Value	+100	+200	+300		-100	Mkt Value	+100	+200	+300	
Treasury/Agency	1.5%	50,623	-1.6%	-3.2%	-4.9%	1.6%						
Municipal	1.9%	45,169	-1.9%	-3.7%	-5.5%	1.9%						
Corporate	0.5%	7,837	-0.5%	-1.0%	-1.4%	0.5%						
CD	1.4%	3,495	-1.4%	-2.8%	-4.1%	1.4%						
Other	0.1%	18,266	-0.1%	-0.2%	-0.3%	0.1%						
Total	1.4%	125,390	-1.4%	-2.8%	-4.2%	1.4%						
Scenario Market Val	127,141	125,390	123,640	121,895	120,163							
Scenario Gain/Loss	-3,975	-5,726	-7,475	-9,221	-10,952							

Total Portfolio (AFS + HTM):	
% Change in Market Val from Level	
-200 bps	2.8%
-100 bps	1.4%
Level Market Val	125,390
+100 bps	-1.4%
+200 bps	-2.8%
+300 bps	-4.2%
+400 bps	
Effective Duration	1.39
Effective Convexity	-0.01

Risk/Reward Analysis



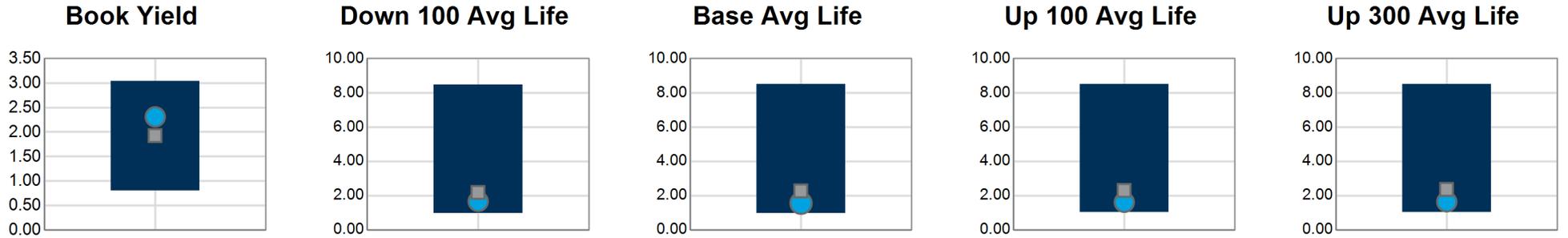
Peer Group Comparison

Peer	As of Date	Book Value	G/L %	Book Yield	Average Life			% Price Change			Effective		UST Agy	Fix MBS	Fix ARM	Fix CMO	Flt CMO	Agy CMBS	Sm Bus.	Prv Label	Muni	Corp	CD &		% Fixed	% AFS
					Base	-100	+300	-100	+100	+300	Dur	Cvx											Oth			
1	11/22	141,774	-5.2	1.30	2.0	2.0	2.0	1.8	-1.8	-5.3	1.8	0.0	76%	0%	0%	0%	0%	0%	0%	0%	0%	1%	23%	100%	100%	
2	10/22	164,960	-7.8	1.60	2.8	2.7	2.9	2.4	-2.4	-7.3	2.4	0.0	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%	
3	12/22	91,995	-5.4	2.63	2.5	2.4	2.7	2.0	-2.1	-6.2	2.0	0.0	87%	0%	0%	0%	0%	0%	0%	0%	0%	7%	5%	98%	100%	
4	11/22	201,469	-4.3	2.10	2.4	2.3	2.4	2.1	-2.1	-6.2	2.1	0.0	66%	0%	0%	0%	0%	0%	0%	0%	24%	0%	10%	100%	100%	
5	12/22	202,508	-2.2	3.04	1.8	1.7	2.0	1.5	-1.5	-4.5	1.5	0.0	6%	1%	1%	8%	1%	12%	0%	2%	23%	44%	0%	78%	100%	
6	11/22	55,990	-12.5	1.95	5.6	5.2	7.3	4.6	-4.5	-13.6	4.6	0.0	2%	18%	1%	41%	0%	4%	0%	0%	27%	0%	5%	98%	100%	
7	09/22	215,653	-2.9	1.18	1.0	1.0	1.0	1.0	-1.0	-2.9	1.0	0.0	87%	0%	0%	0%	0%	0%	0%	0%	13%	0%	0%	100%	100%	
8	12/22	41,763	-3.5	2.17	1.2	1.2	1.2	1.1	-1.1	-3.3	1.1	0.0	23%	0%	0%	0%	0%	0%	0%	0%	39%	0%	37%	100%	96%	
9	12/22	36,570	-10.1	1.12	3.3	3.3	3.3	3.0	-3.0	-8.7	3.0	0.0	98%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	100%	100%	
10	12/22	35,714	-9.0	1.84	3.8	3.8	3.8	3.1	-3.2	-9.7	3.2	-0.2	99%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	100%	100%	
11	10/22	27,465	-9.7	1.47	3.2	3.2	3.2	3.0	-2.9	-8.6	3.0	0.0	57%	0%	0%	0%	0%	3%	0%	0%	2%	1%	38%	100%	100%	
12	09/22	22,544	-4.0	2.21	2.6	2.6	2.6	2.4	-2.3	-6.7	2.4	0.1	67%	0%	0%	0%	0%	0%	0%	0%	0%	0%	33%	100%	100%	
13	09/22	21,921	-8.4	0.89	2.7	2.6	2.7	2.4	-2.4	-7.2	2.4	0.0	79%	0%	0%	0%	0%	0%	0%	0%	10%	0%	11%	100%	100%	
14	12/22	16,381	-7.2	1.79	2.8	2.8	2.8	2.6	-2.6	-7.4	2.6	0.1	0%	0%	0%	0%	0%	0%	0%	0%	44%	29%	26%	100%	100%	
15	12/22	246,692	-5.5	2.00	2.5	2.5	2.5	2.4	-2.3	-6.7	2.3	0.1	69%	0%	0%	0%	0%	0%	0%	0%	12%	10%	10%	100%	100%	
16	09/22	11,856	-5.0	1.25	2.2	2.2	2.3	2.0	-2.0	-6.0	2.0	0.0	38%	0%	0%	0%	0%	0%	0%	0%	12%	17%	33%	100%	100%	
17	09/22	11,706	-6.6	1.84	2.3	2.3	2.3	2.2	-2.1	-6.1	2.1	0.1	0%	0%	0%	0%	0%	0%	0%	0%	20%	42%	38%	100%	100%	
18	09/22	10,037	-3.1	1.61	2.5	2.5	2.5	2.3	-2.2	-6.5	2.2	0.0	32%	0%	0%	0%	0%	0%	0%	0%	23%	15%	30%	100%	100%	
19	10/22	9,174	-14.3	2.66	8.5	8.5	8.5	5.4	-5.2	-14.9	5.2	0.1	0%	0%	0%	0%	0%	0%	0%	0%	86%	3%	11%	100%	100%	
20	10/22	9,080	-3.3	2.51	1.7	1.5	1.7	1.4	-1.5	-4.5	1.4	0.0	31%	0%	0%	0%	0%	0%	0%	0%	0%	0%	69%	100%	100%	
21	10/22	8,166	-8.3	2.35	3.7	3.7	3.8	3.4	-3.3	-9.7	3.4	0.1	51%	0%	0%	0%	0%	0%	0%	0%	0%	0%	49%	100%	100%	
22	12/22	8,000	-10.4	1.25	3.4	3.4	3.4	3.1	-3.1	-9.0	3.1	0.0	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%	
23	09/22	7,106	-7.7	2.14	3.9	3.9	4.0	3.2	-3.1	-8.9	3.2	0.1	0%	18%	0%	17%	0%	0%	0%	0%	0%	0%	66%	100%	100%	
24	12/22	4,542	-10.3	0.80	3.0	3.0	3.0	2.8	-2.8	-8.2	2.8	0.0	94%	0%	0%	0%	0%	0%	0%	0%	0%	0%	6%	100%	100%	
25	12/22	277,592	-4.0	1.07	1.3	1.3	1.3	1.2	-1.2	-3.4	1.2	0.0	59%	0%	0%	0%	0%	0%	0%	0%	0%	3%	37%	100%	100%	
Avg		75,226	-6.8	1.79	2.9	2.9	3.0	2.5	-2.5	-7.3	2.5	0.0	53%	2%	0%	3%	0%	1%	0%	0%	13%	7%	22%	99%	100%	
Port		131,116	-4.4	2.31	1.6	1.7	1.7	1.4	-1.4	-4.2	1.4	0.0	41%	0%	0%	0%	0%	0%	0%	0%	37%	6%	17%	100%	100%	
Diff		55,889	2.5	0.52	-1.3	-1.2	-1.4	-1.1	1.1	3.1	-1.1	0.0	-12%	-2%	0%	-3%	0%	-1%	0%	0%	23%	-1%	-5%	1%	0%	

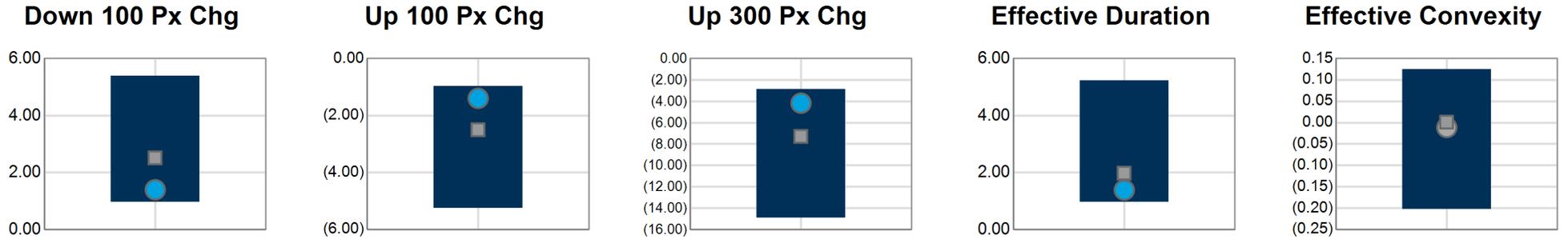
* Peer group includes Public Entytys that have received portfolio analysis from Stifel in the last three months with the closest portfolio book values.

Summary Peer Comparison

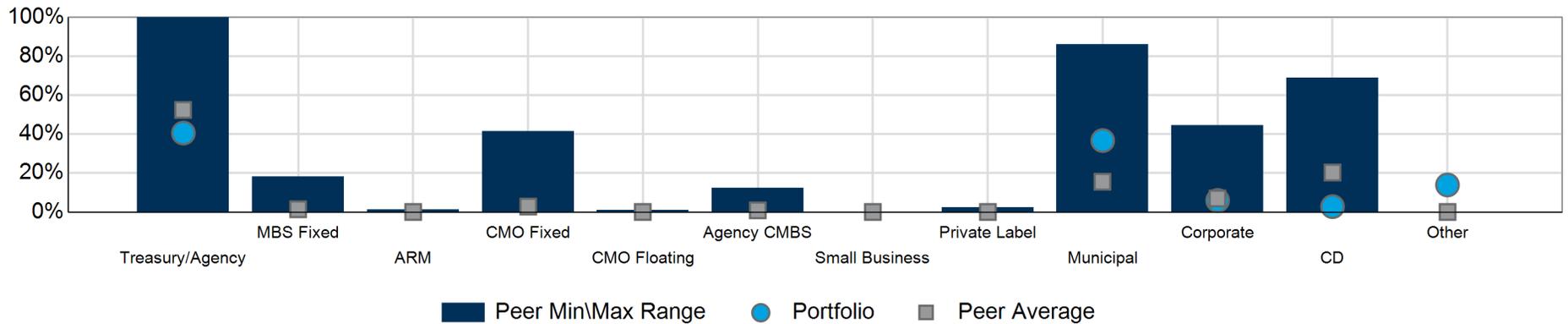
Yield and Average Life Peer Comparison



Price Risk Peer Comparison



Portfolio vs. Peer Allocations



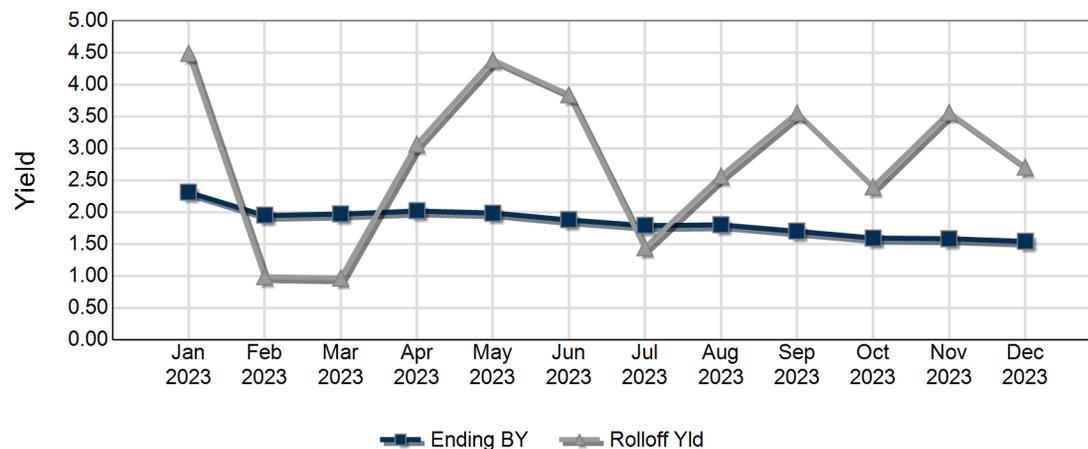
Each box contains the range of your peer group, the top and bottom of the boxes being the max and min. The gray box is the avg. of your peers within the range and the blue dot represents your position.

Cash Flow and Rolloff Yield - Next 12 Months

Yield Rolloff

Month	Begin BY	Principal CF	Rolloff Yld	Ending BY
Jan 2023	2.31	18,651	4.49	1.95
Feb 2023	1.95	2,500	0.99	1.97
Mar 2023	1.97	5,009	0.97	2.02
Apr 2023	2.02	3,000	3.07	1.99
May 2023	1.99	4,485	4.39	1.88
Jun 2023	1.88	4,241	3.84	1.79
Jul 2023	1.79	3,250	1.45	1.80
Aug 2023	1.80	10,667	2.57	1.70
Sep 2023	1.70	4,245	3.56	1.60
Oct 2023	1.60	1,000	2.40	1.59
Nov 2023	1.59	1,548	3.56	1.54
Dec 2023	1.54	3,370	2.71	1.49

Yield Rolloff



Shocked Principal and Interest Cash Flow Analysis

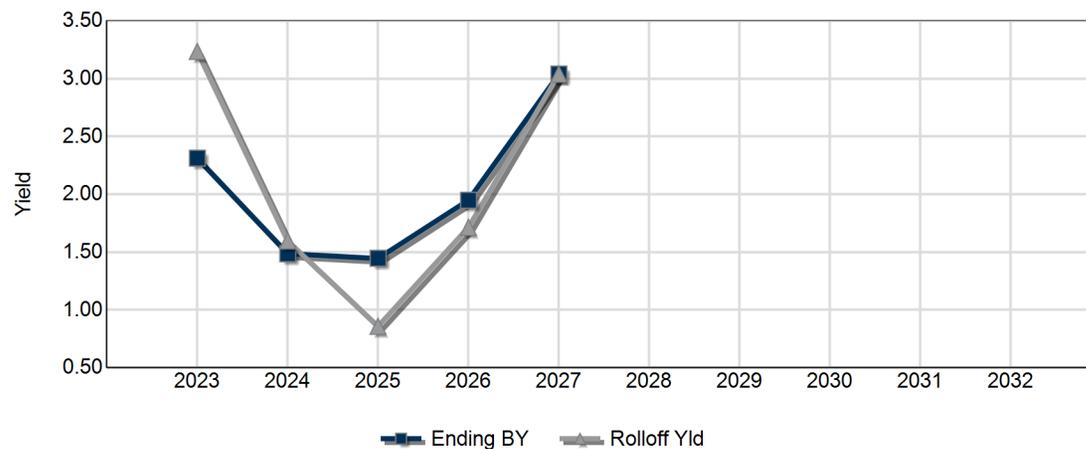
Year	-300	-200	-100	Base	+100	+200	+300
Jan 2023	23,141	20,884	19,884	18,884	18,884	18,884	18,884
Feb 2023	2,764	2,765	2,765	2,765	2,765	2,765	2,765
Mar 2023	8,259	8,259	8,259	5,259	5,259	5,259	5,259
Apr 2023	5,116	4,142	2,217	3,229	2,229	2,229	2,229
May 2023	4,606	4,606	4,606	4,606	3,606	3,606	3,606
Jun 2023	5,727	4,478	4,478	4,478	2,978	2,978	2,978
Jul 2023	3,369	4,375	3,388	3,388	3,388	3,388	3,388
Aug 2023	10,964	10,964	10,964	10,964	9,951	9,951	9,951
Sep 2023	2,373	1,374	1,374	4,436	4,436	4,436	4,436
Oct 2023	131	162	1,207	1,207	1,207	1,207	1,207
Nov 2023	1,612	1,613	1,613	1,613	1,613	613	613
Dec 2023	3,524	3,794	3,550	3,550	3,550	3,550	3,550

Cash Flow and Rolloff Yield - Next 10 Years

Yield Rolloff

Year	Begin BY	Principal CF	Rolloff Yld	Ending BY
2023	2.31	61,966	3.24	1.49
2024	1.49	18,815	1.60	1.45
2025	1.45	22,545	0.86	1.95
2026	1.95	21,625	1.71	3.04
2027	3.04	4,750	3.04	
2028				
2029				
2030				
2031				
2032				

Yield Rolloff



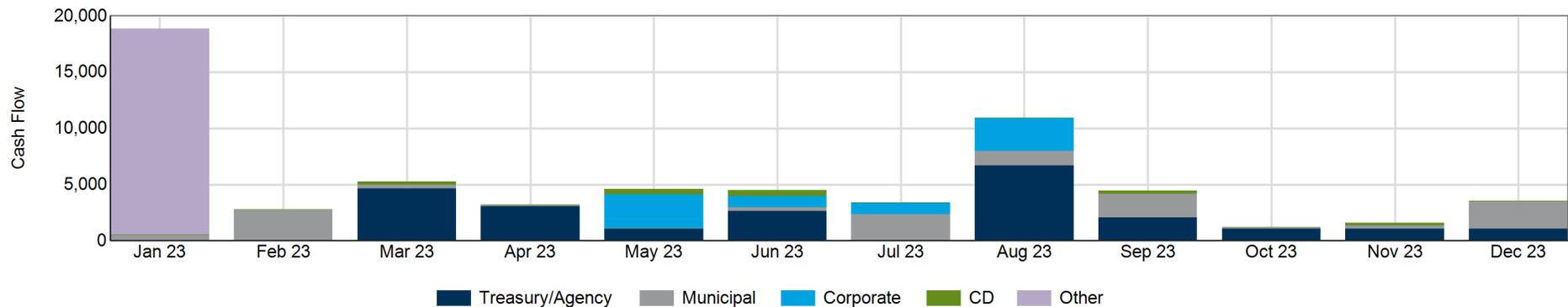
Shocked Principal and Interest Cash Flow Analysis

Year	-300	-200	-100	Base	+100	+200	+300
2023	71,585	67,416	64,304	64,378	60,983	58,983	58,983
2024	19,266	20,928	20,334	20,344	22,991	25,082	25,119
2025	22,410	24,195	23,629	23,642	24,685	23,717	23,717
2026	17,330	18,358	21,077	22,135	20,152	21,187	21,245
2027	2,819	2,819	4,853	4,829	6,884	6,884	6,884
2028	24	24	24	0	0	0	0
2029	24	24	24	0	0	0	0
2030	24	24	24	0	0	0	0
2031	24	24	24	0	0	0	0
2032	24	24	24	0	0	0	0

Sector Cash Flow - Next 12 Months

		Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Bk Yld Chg
Treasury/Agency	Cash Flow	74	27	4,647	3,070	1,096	2,621	49	6,706	2,090	1,049	1,044	1,069	
	End BY	1.98	1.98	2.09	2.02	1.95	1.79	1.79	1.92	1.80	1.78	1.68	1.57	-0.41
Municipal	Cash Flow	447	2,734	352	157	20	360	2,313	1,256	2,091	157	320	2,479	
	End BY	1.55	1.58	1.59	1.59	1.59	1.59	1.58	1.51	1.43	1.43	1.44	1.41	-0.14
Corporate	Cash Flow	21	0	0	0	3,000	1,000	1,021	3,000					
	End BY	4.19	4.19	4.19	4.19	4.01	4.05	5.25						
CD	Cash Flow	7	4	261	2	490	497	5	2	255	1	249	1	
	End BY	1.87	1.87	1.79	1.79	1.81	1.82	1.82	1.82	1.57	1.57	1.57	1.57	-0.30
Other	Cash Flow	18,335												
	End BY													
Total	Cash Flow	18,884	2,765	5,259	3,229	4,606	4,478	3,388	10,964	4,436	1,207	1,613	3,550	
	End BY	1.95	1.97	2.02	1.99	1.88	1.79	1.80	1.70	1.60	1.59	1.54	1.49	-0.46

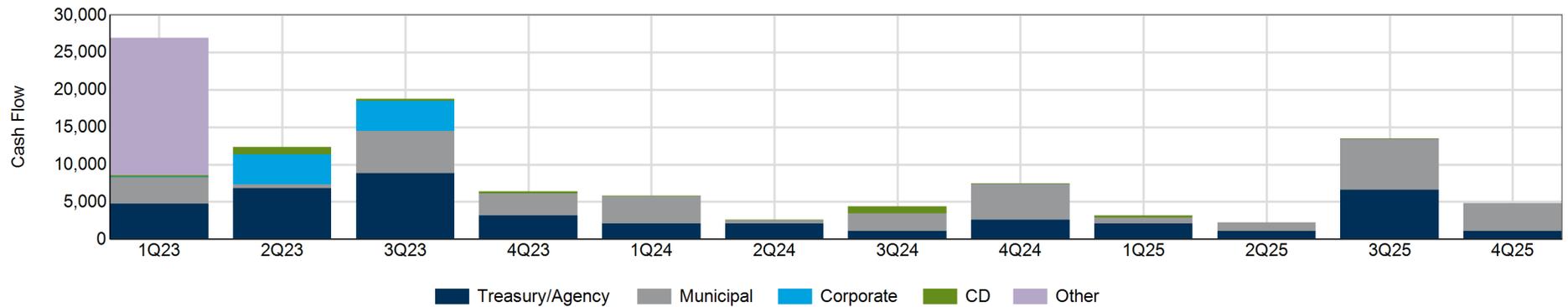
Total Cash Flows By Sector



Sector Cash Flow - Next 3 Years

		1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	Bk Yld Chg
Treasury/Agency	Cash Flow	4,747	6,788	8,845	3,162	2,119	2,106	1,097	2,602	2,091	1,082	6,581	1,086	
	End BY	2.09	1.79	1.80	1.57	1.49	1.50	1.41	1.50	1.44	1.49	1.91	2.00	-0.09
Municipal	Cash Flow	3,533	536	5,660	2,956	3,723	493	2,337	4,862	797	1,138	6,907	3,707	
	End BY	1.59	1.59	1.43	1.41	1.40	1.41	1.45	1.41	1.42	1.45	1.73	1.95	0.36
Corporate	Cash Flow	21	4,000	4,021										
	End BY	4.19	4.05											
CD	Cash Flow	272	989	263	251	12	3	990	1	249	0	4	0	
	End BY	1.79	1.82	1.57	1.57	1.57	1.57	1.14	1.14	1.10	1.10	1.10	1.10	-0.69
Other	Cash Flow	18,335												
	End BY													
Total	Cash Flow	26,907	12,313	18,789	6,369	5,854	2,601	4,424	7,465	3,137	2,220	13,492	4,793	
	End BY	2.02	1.79	1.60	1.49	1.45	1.45	1.42	1.45	1.43	1.46	1.79	1.95	-0.07

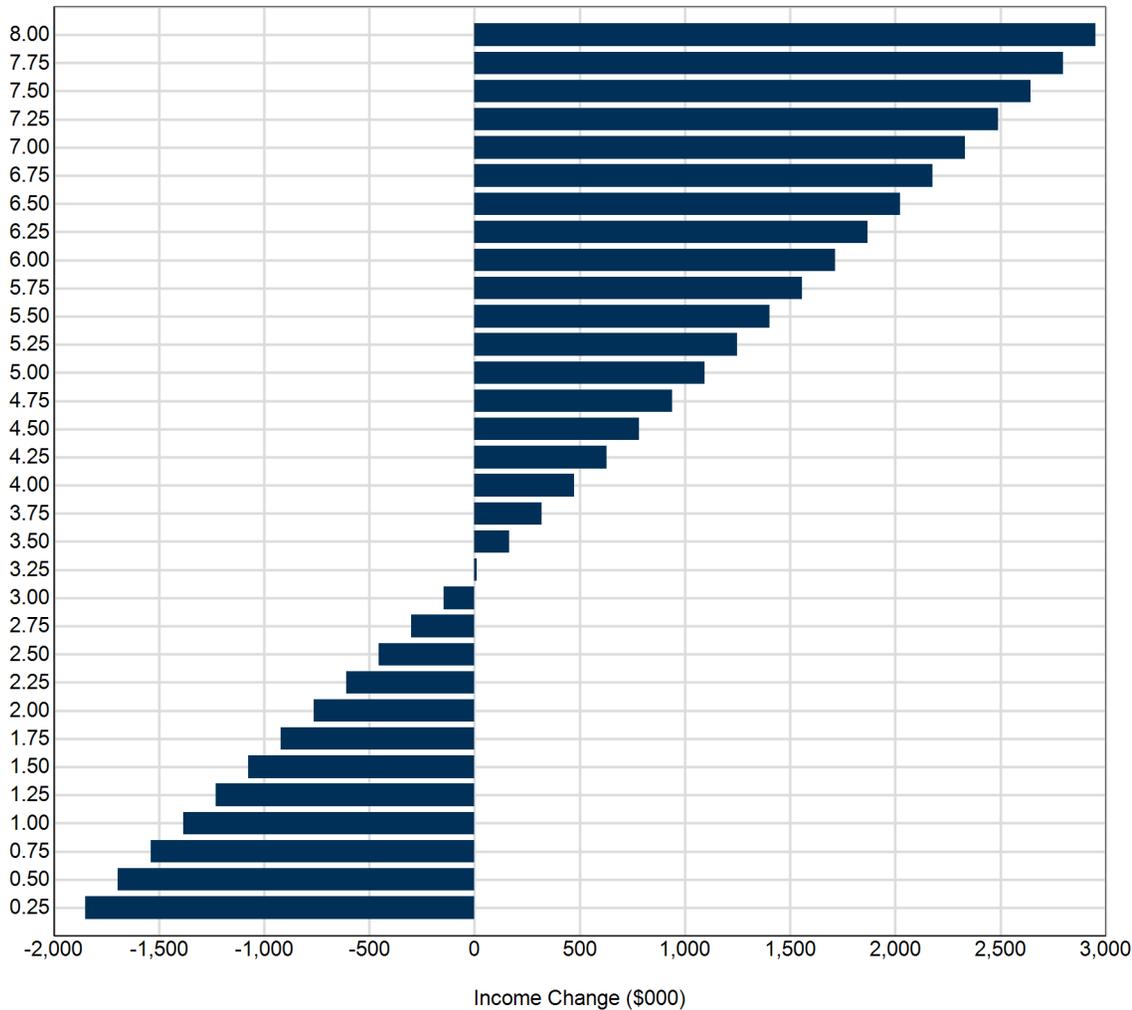
Total Cash Flows By Sector



Gap Analysis - Potential Income Impact of Principal Reinvestment

Principal Maturing(12 Mo.Horizon): \$61,966
 Current Book Yield of Principal Maturing: 3.24%
 Est. Annual Income at Current Book Yield: \$2,005

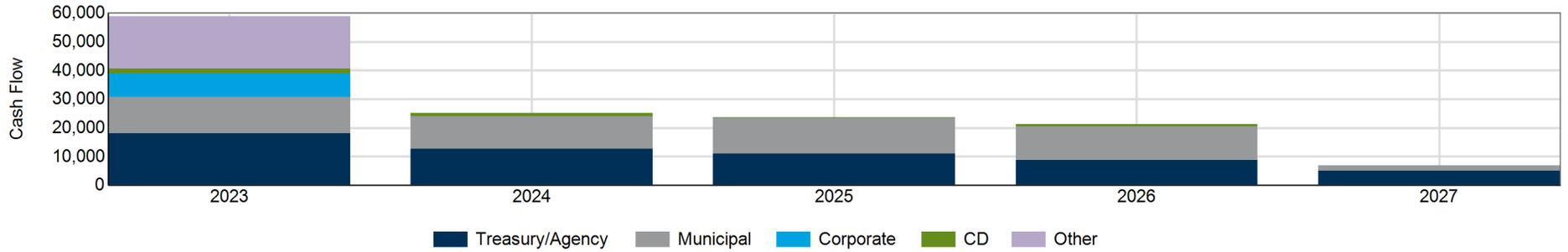
Estimated Impact on Income at Various Reinvestment Yields



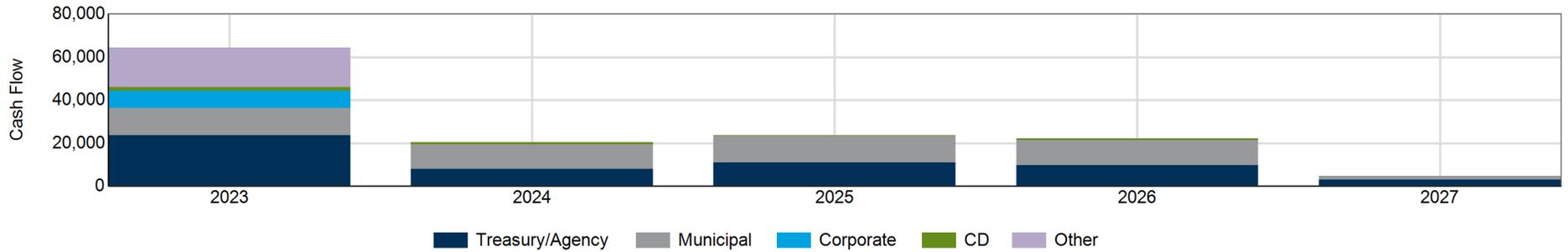
Assumed Reinvestment Yield	Estimated Annualized Income	Income Difference from Current Book	Resulting Book Yield
0.25	155	-1,850	0.89
0.50	310	-1,695	1.01
0.75	465	-1,540	1.12
1.00	620	-1,385	1.24
1.25	775	-1,230	1.36
1.50	929	-1,075	1.48
1.75	1,084	-920	1.60
2.00	1,239	-765	1.72
2.25	1,394	-610	1.84
2.50	1,549	-456	1.96
2.75	1,704	-301	2.08
3.00	1,859	-146	2.20
3.25	2,014	9	2.32
3.50	2,169	164	2.44
3.75	2,324	319	2.56
4.00	2,479	474	2.68
4.25	2,634	629	2.80
4.50	2,788	784	2.92
4.75	2,943	939	3.04
5.00	3,098	1,094	3.16
5.25	3,253	1,248	3.27
5.50	3,408	1,403	3.39
5.75	3,563	1,558	3.51
6.00	3,718	1,713	3.63
6.25	3,873	1,868	3.75
6.50	4,028	2,023	3.87
6.75	4,183	2,178	3.99
7.00	4,338	2,333	4.11
7.25	4,493	2,488	4.23
7.50	4,647	2,643	4.35
7.75	4,802	2,798	4.47
8.00	4,957	2,953	4.59

Shocked Cash Flows By Sector - Next 10 Years

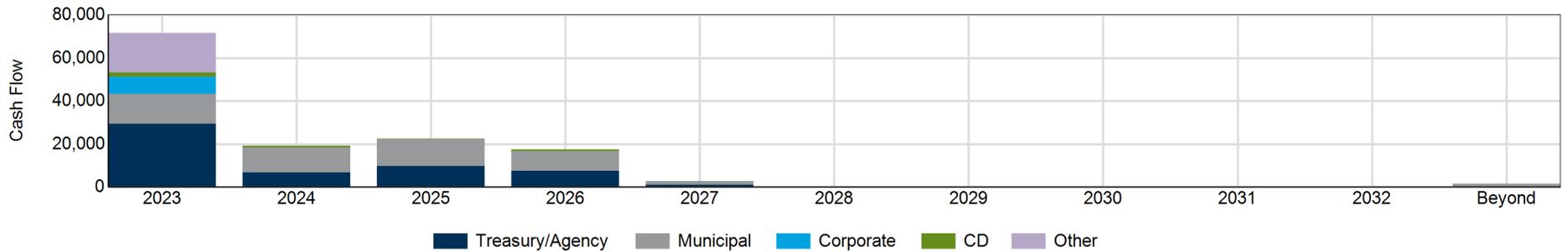
+300 Scenario



Base Scenario

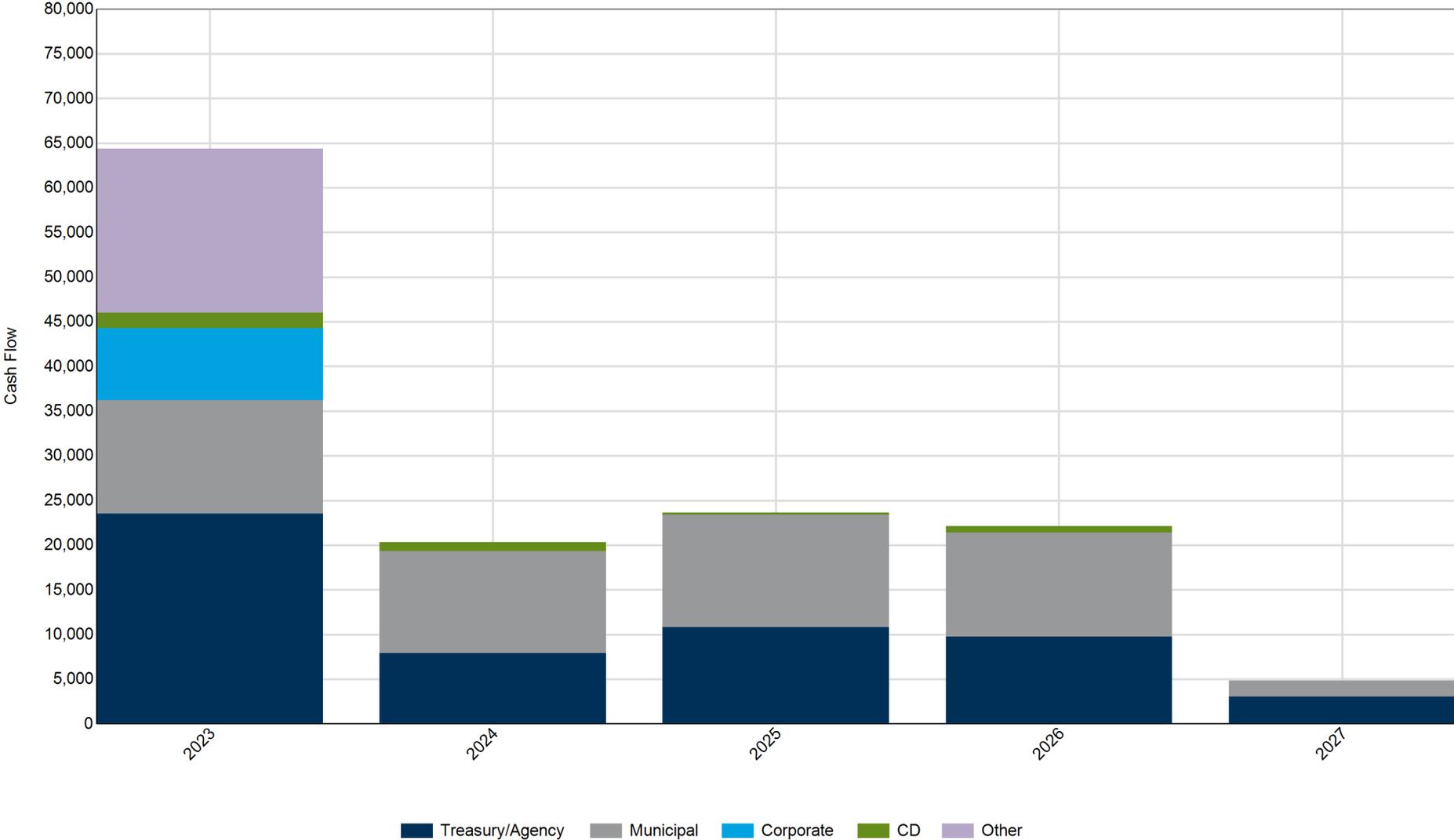


-300 Scenario



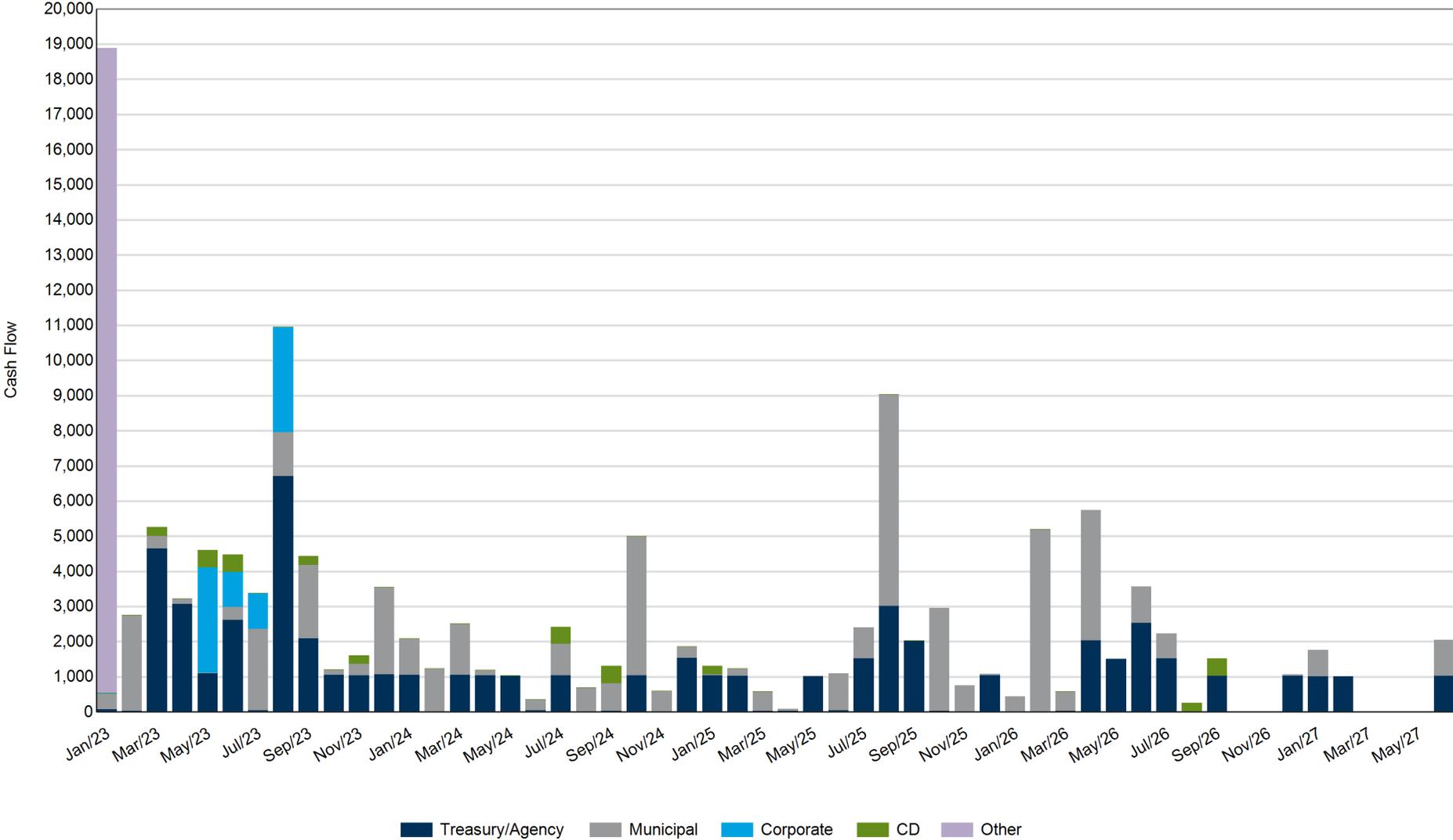
Cash Flows By Sector - Next 30 Years

Base Scenario



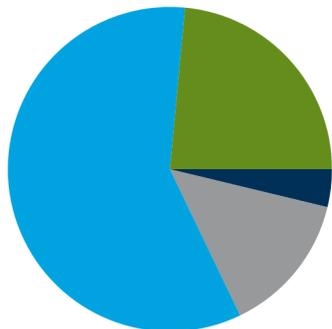
Cash Flow Projection By Month - Next 5 Years

Total Monthly Cash Flows By Sector

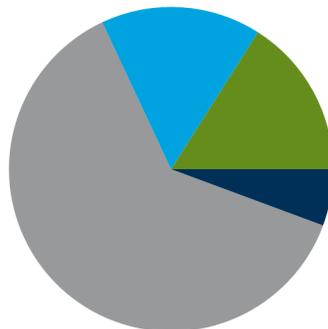


Agency - Summary

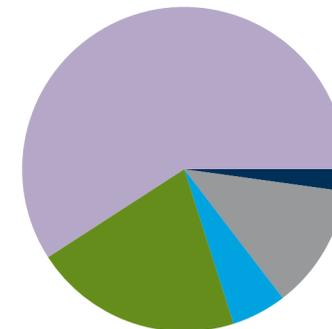
Subsector



Issuer



Call Type



■ Treasury (4%) ■ Callable Agency (59%)
■ Agency Bullet (14%) ■ Agency Step (24%)

■ FFCB (6%) ■ FNMA (16%) ■ Other (16%)
■ FHLB (62%)

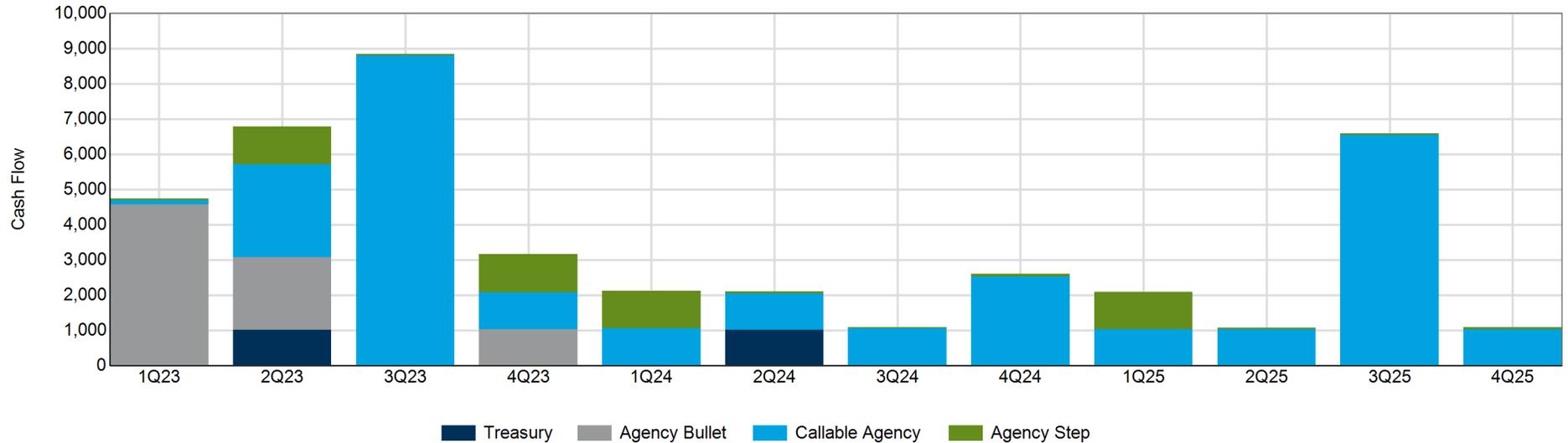
■ Annually (2%) ■ One time (21%)
■ Anytime (12%) ■ Quarterly (59%)
■ Monthly (5%)

Subsector	Sector %	Par Value	Cpn	Maturity Next Call	Book		Market		G/L \$	G/L %	WAL	% Px Δ	Dur	Cvx	AFS %
					Price Value	Yield	Price Value	Yield	+ 300	+ 300	+ 300	-100 +300	Base	Base	
Treasury (2)	3.8%	2,000	1.81	0.9 yrs	99.68	2.11	97.70	4.59	-40	-2.0%	0.87	0.8	0.83	0.02	100.0%
Agency Bullet (4)	14.1%	7,500	3.20	0.3 yrs	100.22	2.08	99.66	4.64	-42	-0.6%	0.35	0.3	0.34	0.00	100.0%
Callable Agency (23)	58.6%	31,167	1.62	1.9 yrs	99.99	1.63	94.39	4.74	-1,744	-5.6%	1.82	1.6	1.63	-0.06	100.0%
Agency Step (11)	23.5%	12,500	2.11	0.2 yrs	31,164	1.63	29,420	4.74	-3,218	-10.3%	1.94	-5.0			100.0%
				3.6 yrs	99.98		94.20		-722	-5.8%	2.80	2.2	2.27	-0.19	
				0.3 yrs	12,497	2.79	11,775	4.70	-1,589	-12.7%	3.34	-7.4			100.0%
Total (40)	100.0%	53,167	1.97	2.1 yrs	100.01		95.22		-2,548	-4.8%	1.81	1.5	1.56	-0.08	
				0.2 yrs	53,171	1.98	50,623	4.71	-5,011	-9.4%	2.00	-4.9			100.0%

Agency - Sector Cash Flow and Yield Rolloff - Next 3 Years

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	Bk Yld Chg
Cash Flow	4,747	6,788	8,845	3,162	2,119	2,106	1,097	2,602	2,091	1,082	6,581	1,086	
End BY	2.09	1.79	1.80	1.57	1.49	1.50	1.41	1.50	1.44	1.49	1.91	2.00	-0.09
Cash Flow	4,747	6,788	8,845	3,162	2,119	2,106	1,097	2,602	2,091	1,082	6,581	1,086	
End BY	2.09	1.79	1.80	1.57	1.49	1.50	1.41	1.50	1.44	1.49	1.91	2.00	-0.09

Total Cash Flows By Subsector



Shocked Agency Projected Call Schedule

Callable Agency Rate Shock Analysis – Projected Par Value Redeemed at NEXT Call Date – Monthly

	-100	-75	-50	-25	0	25	50	75	100
Dec 22	-	-	-	-	-	-	-	-	-
Jan 23	-	-	-	-	-	-	-	-	-
Feb 23	-	-	-	-	-	-	-	-	-
Mar 23	2,000	-	-	-	-	-	-	-	-
Apr 23	-	-	-	-	-	-	-	-	-
May 23	1,000	1,000	1,000	1,000	1,000	-	-	-	-
Jun 23	1,500	1,500	1,500	1,500	1,500	-	-	-	-
Jul 23	-	-	-	-	-	-	-	-	-
Aug 23	1,000	1,000	1,000	1,000	1,000	-	-	-	-
Sep 23	-	-	-	-	-	-	-	-	-
Oct 23	-	-	-	-	-	-	-	-	-
Nov 23	-	-	-	-	-	-	-	-	-

Callable Agency Rate Shock Analysis – Projected Par Value Redeemed at NEXT Call Date – Quarterly

	-100	-75	-50	-25	0	25	50	75	100
4Q22	-	-	-	-	-	-	-	-	-
1Q23	2,000	-	-	-	-	-	-	-	-
2Q23	2,500	2,500	2,500	2,500	2,500	-	-	-	-
3Q23	1,000	1,000	1,000	1,000	1,000	-	-	-	-
4Q23	-	-	-	-	-	-	-	-	-
1Q24	-	-	-	-	-	-	-	-	-
2Q24	-	-	-	-	-	-	-	-	-
3Q24	-	-	-	-	-	-	-	-	-
4Q24	-	-	-	-	-	-	-	-	-
1Q25	-	-	-	-	-	-	-	-	-
2Q25	-	-	-	-	-	-	-	-	-
3Q25	-	-	-	-	-	-	-	-	-
4Q25	-	-	-	-	-	-	-	-	-
1Q26	-	-	-	-	-	-	-	-	-
2Q26	-	-	-	-	-	-	-	-	-
3Q26	-	-	-	-	-	-	-	-	-

Shocked Agency Projected Call Schedule - Next 12 Months

	-300	-200	-100	Base	+100	+200	+300
Dec 22	-	-	-	-	-	-	-
Jan 23	4,000	2,000	1,000	-	-	-	-
Feb 23	-	-	-	-	-	-	-
Mar 23	3,000	3,000	3,000	-	-	-	-
Apr 23	1,000	-	-	1,000	-	-	-
May 23	1,000	1,000	1,000	1,000	-	-	-
Jun 23	2,500	1,500	1,500	1,500	-	-	-
Jul 23	-	1,000	-	-	-	-	-
Aug 23	6,667	6,667	6,667	6,667	5,667	5,667	5,667
Sep 23	1,000	-	-	2,000	2,000	2,000	2,000
Oct 23	-	-	1,000	1,000	2,000	1,000	1,000
Nov 23	1,000	1,000	1,000	1,000	1,000	-	-

Agency Projected Call Report - CUSIP Level

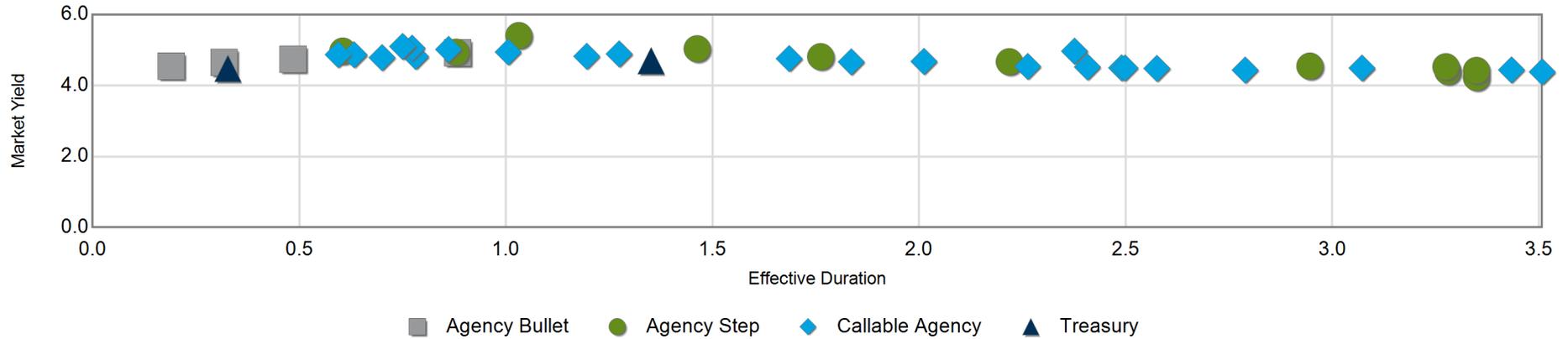
Sec No.	CUSIP	Issuer	Cpn	Cpn Type	Maturity	Par Value	Next Call	Call Type	Mkt Price	Gain/Loss	Projected Shocked Call Dates						
											-300	-200	-100	Base	+100	+200	+300
26	3130ATLG0	FHLB	4.00	Step	10/27/27	1,000	01/27/23	Quarterly	99.820	-2	01/23	01/23	01/23	04/23	10/23	04/24	10/24
32	3130ATDT1	FHLB	4.02	Fixed	09/29/23	2,000	03/29/23	One time	99.436	-11	03/23	03/23	03/23	09/23	09/23	09/23	09/23
46	3130AT6R3	FHLB	4.00	Step	09/30/27	1,000	03/30/23	Quarterly	99.018	-10	03/23	03/23	03/23	03/24	03/25	03/26	12/26
33	3135GACZ2	FNMA	5.40	Fixed	11/25/24	1,000	05/25/23	Quarterly	100.112	1	05/23	05/23	05/23	05/23	11/24	11/24	11/24
34	3134GY5N8	FHLMC	5.25	Fixed	06/20/24	1,500	06/20/23	Quarterly	100.088	1	06/23	06/23	06/23	06/23	06/24	06/24	06/24
28	3130AJZJ1	FHLB	0.32	Fixed	08/25/23	2,667	01/17/23	Anytime	97.109	-77	08/23	08/23	08/23	08/23	08/23	08/23	08/23
38	3134GY2N1	FHLMC	5.17	Fixed	05/28/24	1,000	08/28/23	One time	100.099	1	08/23	08/23	08/23	08/23	05/24	05/24	05/24
24	3135G05R0	FNMA	0.30	Fixed	08/10/23	3,000	02/10/23	Quarterly	97.279	-80	08/23	08/23	08/23	08/23	08/23	08/23	08/23
35	3134GXQM9	FHLMC	2.40	Fixed	10/25/23	1,000	01/25/23	Monthly	98.073	-19	01/23	07/23	10/23	10/23	10/23	10/23	10/23
41	3130ATQD2	FHLB	4.65	Step	11/15/24	1,000	11/15/23	One time	99.749	0	11/23	11/23	11/23	11/23	11/23	11/24	11/24
45	3130AQFK4	FHLB	0.76	Fixed	01/19/24	1,000	01/19/23	One time	95.756	-42	01/24	01/24	01/24	01/24	01/24	01/24	01/24
50	3130ASKS7	FHLB	3.75	Fixed	07/25/24	1,000	01/25/23	Quarterly	98.391	-16	01/23	01/23	04/24	07/24	07/24	07/24	07/24
52	3130AND72	FHLB	0.43	Fixed	04/29/24	1,000	01/29/23	Quarterly	94.318	-57	04/24	04/24	04/24	04/24	04/24	04/24	04/24
58	3134GXQR8	FHLMC	2.75	Step	04/28/25	1,000	01/28/23	Quarterly	97.086	-29	01/23	01/24	10/24	01/25	04/25	04/25	04/25
65	3130APAF2	FHLB	0.52	Fixed	10/07/24	1,000	04/07/23	Quarterly	92.884	-71	10/24	10/24	10/24	10/24	10/24	10/24	10/24
70	3130AMJX1	FHLB	0.65	Fixed	12/09/24	1,500	02/09/23	Monthly	92.621	-111	12/24	12/24	12/24	12/24	12/24	12/24	12/24
74	3133EMZ70	FFCB	0.48	Fixed	02/10/25	1,000	01/17/23	Anytime	91.645	-83	02/25	02/25	02/25	02/25	02/25	02/25	02/25
67	3130ARGS4	FHLB	2.00	Step	04/14/27	1,000	04/14/23	Annually	96.889	-31	04/23	04/24	04/25	04/26	04/27	04/27	04/27
80	3133EM3E0	FFCB	0.61	Fixed	05/23/25	1,000	01/17/23	Anytime	91.168	-88	05/25	05/25	05/25	05/25	05/25	05/25	05/25
84	3136G4A45	FNMA	0.71	Fixed	07/22/25	1,500	01/22/23	Quarterly	90.870	-137	07/25	07/25	07/25	07/25	07/25	07/25	07/25
88	3136G4N74	FNMA	0.56	Fixed	08/21/25	1,500	02/21/23	Quarterly	90.288	-146	08/25	08/25	08/25	08/25	08/25	08/25	08/25
89	3136G4V59	FNMA	0.63	Fixed	08/27/25	1,500	02/27/23	Quarterly	90.399	-144	08/25	08/25	08/25	08/25	08/25	08/25	08/25

Agency Projected Call Report - CUSIP Level

Sec No.	CUSIP	Issuer	Cpn	Cpn Type	Maturity	Par Value	Next Call	Call Type	Mkt Price	Gain/Loss	Projected Shocked Call Dates						
											-300	-200	-100	Base	+100	+200	+300
90	3134GWUG9	FHLMC	0.57	Fixed	09/24/25	2,000	03/24/23	Quarterly	90.035	-199	09/25	09/25	09/25	09/25	09/25	09/25	09/25
97	3130AP2G9	FHLB	0.75	Fixed	12/30/25	1,000	03/30/23	Quarterly	89.747	-103	12/25	12/25	12/25	12/25	12/25	12/25	12/25
77	3130ARCD1	FHLB	2.00	Step	03/29/27	1,000	03/29/23	Quarterly	95.372	-46	09/23	03/25	03/26	12/26	03/27	03/27	03/27
105	3133EMXQ0	FFCB	0.94	Fixed	04/28/26	1,000	01/17/23	Anytime	89.125	-109	04/26	04/26	04/26	04/26	04/26	04/26	04/26
101	3130AMDE9	FHLB	1.00	Step	05/12/26	1,500	02/12/23	Quarterly	90.354	-145	02/26	05/26	05/26	05/26	05/26	05/26	05/26
109	3130AMMW9	FHLB	1.00	Step	06/10/26	1,500	03/10/23	Quarterly	90.214	-147	06/26	06/26	06/26	06/26	06/26	06/26	06/26
110	3130AMMJ8	FHLB	0.40	Step	06/09/26	1,000	06/09/23	One time	90.354	-96	06/26	06/26	06/26	06/26	06/26	06/26	06/26
116	3130AP6D2	FHLB	1.00	Fixed	09/30/26	1,000	03/30/23	Quarterly	88.228	-118	09/26	09/26	09/26	09/26	09/26	09/26	09/26
117	3130AQJ87	FHLB	1.60	Fixed	01/19/27	1,000	01/19/23	Quarterly	89.754	-102	01/27	01/27	01/27	01/27	01/27	01/27	01/27
114	3130AQPR8	FHLB	1.30	Step	02/18/27	1,000	02/18/23	Quarterly	91.745	-83	02/24	02/24	02/27	02/27	02/27	02/27	02/27
83	3130ASG52	FHLB	4.10	Fixed	06/30/27	1,000	06/30/23	Quarterly	96.526	-35	06/23	06/26	06/27	06/27	06/27	06/27	06/27
			1.77			42,167			94.455	-2,333							

Agency - Risk/Reward Analysis

Agency - Risk/Reward Analysis



Top 5 Market Yields

CUSIP	Security Description	Subsector	Mkt Value	Mkt Yld	Eff. Dur	% Px Δ
3130AT6R3	FHLB 4 09/30/27	Agency Step	990	5.41%	1.03	-4.8
3135GACZ2	FNMA 5.4 11/25/24	Callable Agency	1,001	5.10%	0.75	-3.5
3134GY5N8	FHLMC 5 1/4 06/20/24	Callable Agency	1,501	5.05%	0.77	-3.2
3134GXQR8	FHLMC 2 3/4 04/28/25	Agency Step	971	5.04%	1.46	-5.2
3134GY2N1	FHLMC 5.17 05/28/24	Callable Agency	1,001	5.02%	0.86	-3.3

Bottom 5 Market Yields

CUSIP	Security Description	Subsector	Mkt Value	Mkt Yld	Eff. Dur	% Px Δ
3130AN5K2	FHLB 1 1/2 07/20/26	Agency Step	1,366	4.23%	3.35	-9.6
3130AQJ87	FHLB 1.6 01/19/27	Callable Agency	898	4.39%	3.51	-10.5
3130AMMJ8	FHLB 0.4 06/09/26	Agency Step	904	4.40%	3.28	-9.3
3130AQPR8	FHLB 1.3 02/18/27	Agency Step	917	4.43%	3.35	-10.6
3130AP2G9	FHLB 0 3/4 12/30/25	Callable Agency	897	4.44%	2.79	-8.2

Top 5 Price Volatility (% price change +300)

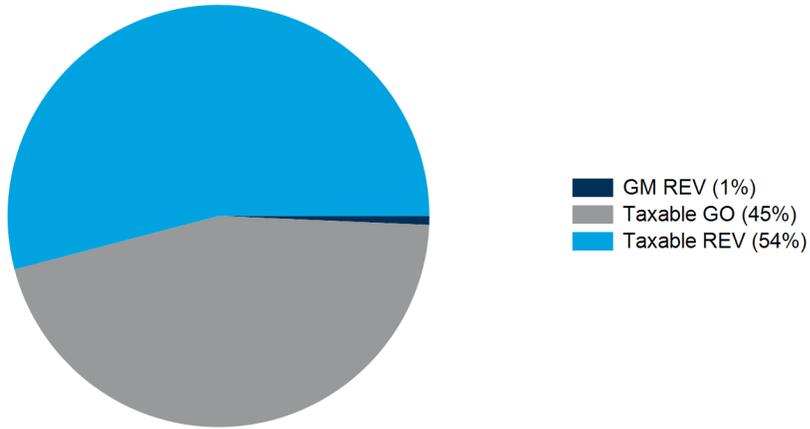
CUSIP	Security Description	Subsector	Mkt Value	Mkt Yld	Eff. Dur	% Px Δ
3130AQPR8	FHLB 1.3 02/18/27	Agency Step	917	4.43%	3.35	-10.6
3130AQJ87	FHLB 1.6 01/19/27	Callable Agency	898	4.39%	3.51	-10.5
3130AP6D2	FHLB 1 09/30/26	Callable Agency	882	4.44%	3.43	-10.0
3130AN5K2	FHLB 1 1/2 07/20/26	Agency Step	1,366	4.23%	3.35	-9.6
3130AMMJ8	FHLB 0.4 06/09/26	Agency Step	904	4.40%	3.28	-9.3

Next 5 Projected Redemptions

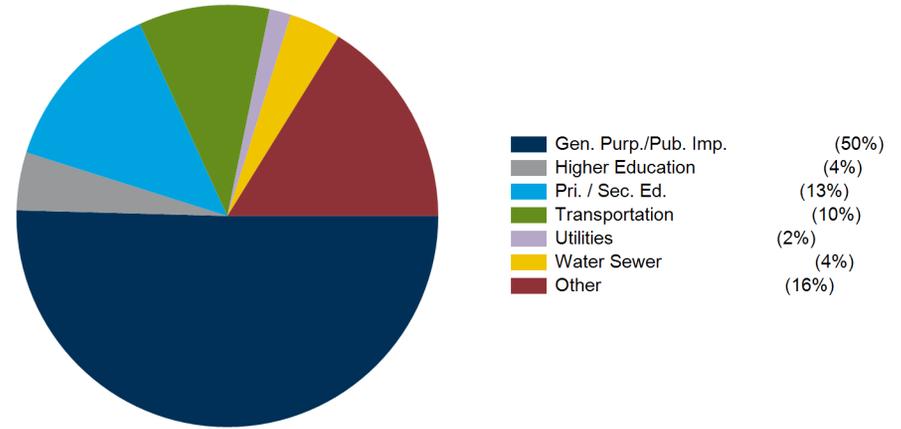
CUSIP	Security Description	Subsector	Mkt Value	Mkt Yld	Eff. Dur	Mat/Call
3130ADRG9	FHLB 2 3/4 03/10/23	Agency Bullet	4,484	4.55%	0.19	03/01/23
3130ASNH8	FHLB 3 04/28/23	Agency Bullet	995	4.66%	0.32	04/01/23
3130ATLG0	FHLB 4 10/27/27	Agency Step	998	4.97%	0.61	04/01/23
912828R28	T 1 5/8 04/30/23	Treasury	991	4.48%	0.33	04/01/23
3135GACZ2	FNMA 5.4 11/25/24	Callable Agency	1,001	5.10%	0.75	05/01/23

Municipal - Summary

Subsector



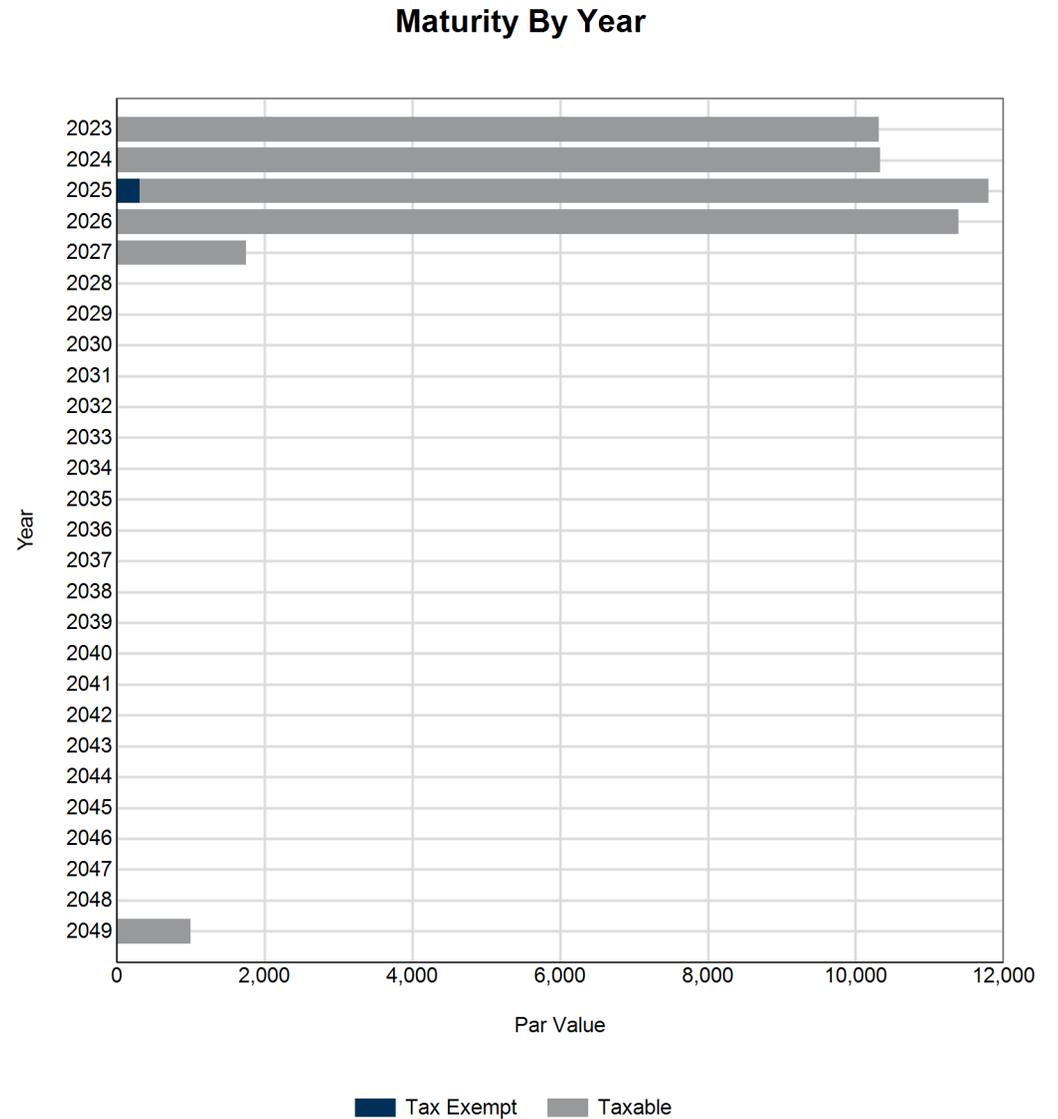
Purpose



Subsector	Sector %	Par Value	Cpn	Maturity	Rating		Book		Market		G/L \$	G/L %	WAL	% Px Δ	Dur	Cvx	AFS %
					Moody's	S&P	Price Value	Yield	Price Value	Yield	Base + 300	Base + 300	Base + 300	-100 +300	Base	Base	
Taxable GO (22)	45.2%	21,080	4.04	2.2 yrs	Aa1		105.28		98.26		-1,480	-6.7%	2.22	2.1	2.03	0.06	
					AA+		22,193	1.54	20,713	4.80	-2,704	-12.2%	2.22	-5.9			100.0%
Taxable REV (35)	54.1%	25,195	2.11	3.0 yrs	Aa1		101.64		95.78		-1,477	-5.8%	1.94	1.8	1.73	0.05	
					AA+		25,608	1.58	24,131	4.76	-2,692	-10.5%	1.94	-5.0			100.0%
Taxable (57)	99.3%	46,275	2.99	2.6 yrs	Aa1		103.30		96.91		-2,956	-6.2%	2.07	1.9	1.87	0.05	
					AA+		47,801	1.56	44,844	4.78	-5,396	-11.3%	2.07	-5.4			100.0%
GM REV (1)	0.7%	315	4.00	2.5 yrs	Aa3		108.60		102.95		-18	-5.2%	2.50	2.4	2.30	0.06	
							342	0.68	324	3.51	-40	-11.6%	2.50	-6.8			100.0%
Tax Exempt (1)	0.7%	315	4.00	2.5 yrs	Aa3		108.60		102.95		-18	-5.2%	2.50	2.4	2.30	0.06	
							342	0.68	324	3.51	-40	-11.6%	2.50	-6.8			100.0%
Total (58)	100.0%	46,590	3.00	2.6 yrs	Aa1		103.33		96.95		-2,974	-6.2%	2.07	1.9	1.87	0.05	
					AA+		48,143	1.56	45,169	4.77	-5,436	-11.3%	2.07	-5.4			100.0%

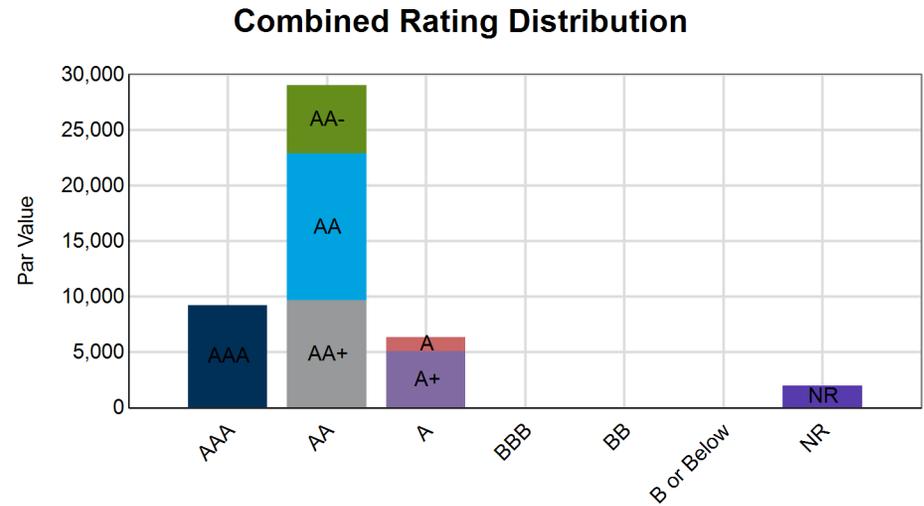
Municipal - Maturity Summary

Maturity By Year					
Year	Taxable	Tax Exempt	Total	Bal %	Run Bal %
2023	10,315	-	10,315	22.1 %	22.1 %
2024	10,335	-	10,335	22.2 %	44.3 %
2025	11,485	315	11,800	25.3 %	69.6 %
2026	11,390	-	11,390	24.4 %	94.1 %
2027	1,750	-	1,750	3.8 %	97.9 %
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
2047	-	-	-	-	-
2048	-	-	-	-	-
2049	1,000	-	1,000	2.1 %	100.0 %

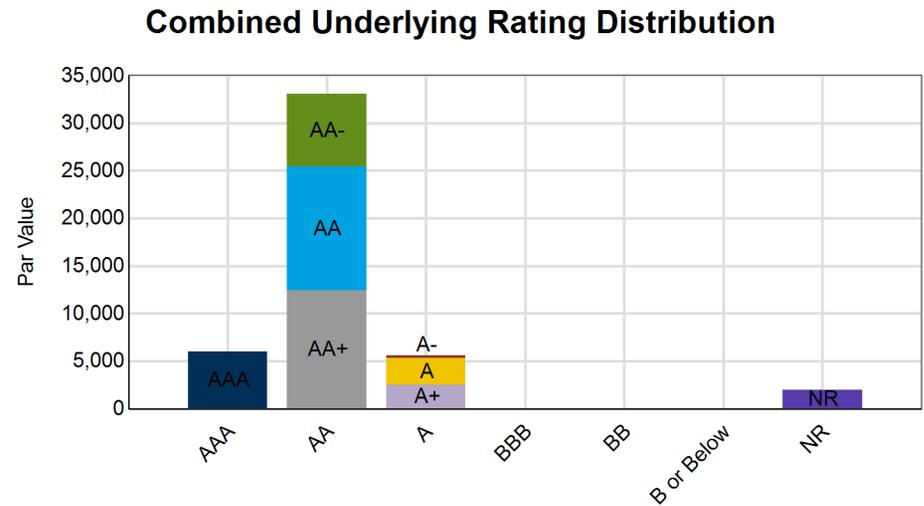


Municipal - Rating Summary

Combined Rating Summary				
Combined Rating	% Balance	Par Value	Book Yield	Eff. Duration
AAA	19.8%	9,235	1.05	2.32
AA	62.3%	29,020	1.62	1.59
A	13.6%	6,335	1.54	2.57
BBB	-	-	-	-
BB	-	-	-	-
B or Below	-	-	-	-
NR	4.3%	2,000	3.03	1.88
Total	100.0%	46,590	1.56	1.87



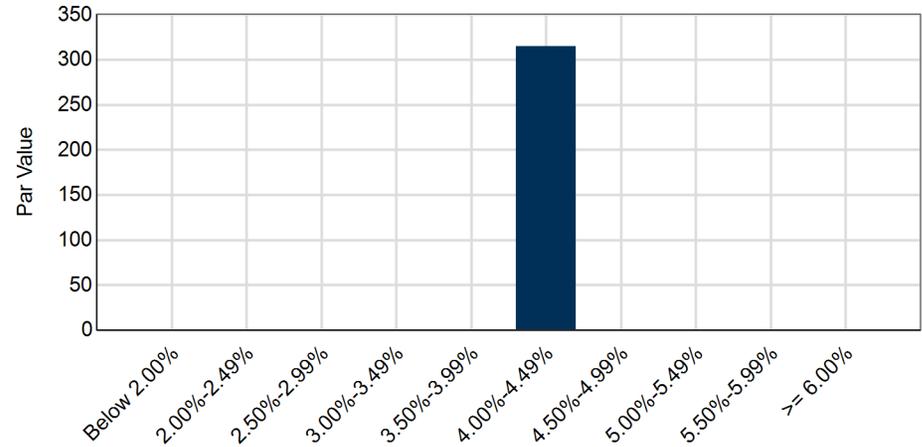
Combined Underlying Rating Summary				
Combined Rating	% Balance	Par Value	Book Yield	Eff. Duration
AAA	12.8%	5,985	1.22	2.23
AA	70.9%	33,040	1.58	1.73
A	11.9%	5,565	1.25	2.37
BBB	-	-	-	-
BB	-	-	-	-
B or Below	-	-	-	-
NR	4.3%	2,000	3.03	1.88
Total	100.0%	46,590	1.56	1.87



Municipal - Coupon Summary

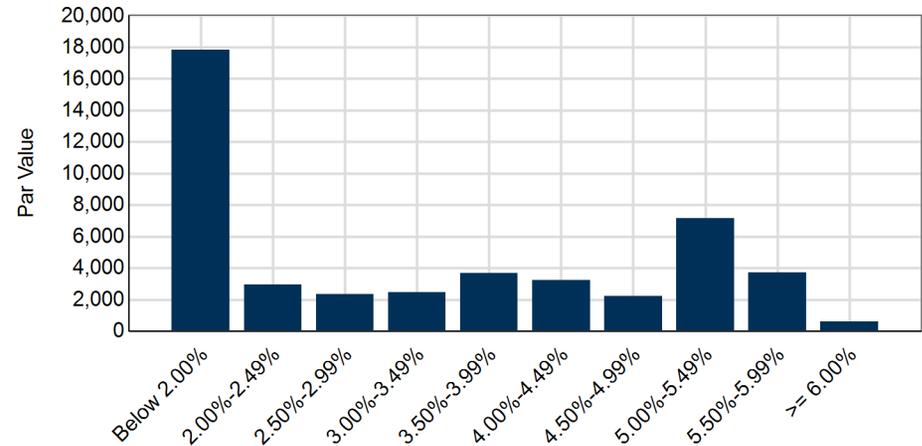
Tax-Exempt Coupon Summary				
Combined Rating	% Balance	Par Value	Book Yield	Eff. Duration
Below 1.50%	-	-	-	-
1.50%-2.49%	-	-	-	-
2.50%-3.49%	-	-	-	-
3.50%-4.49%	0.7%	315	0.68	2.30
4.50%-5.49%	-	-	-	-
>= 5.50%	-	-	-	-
Total	0.7%	315	0.68	2.30

Tax-Exempt Coupon Distribution

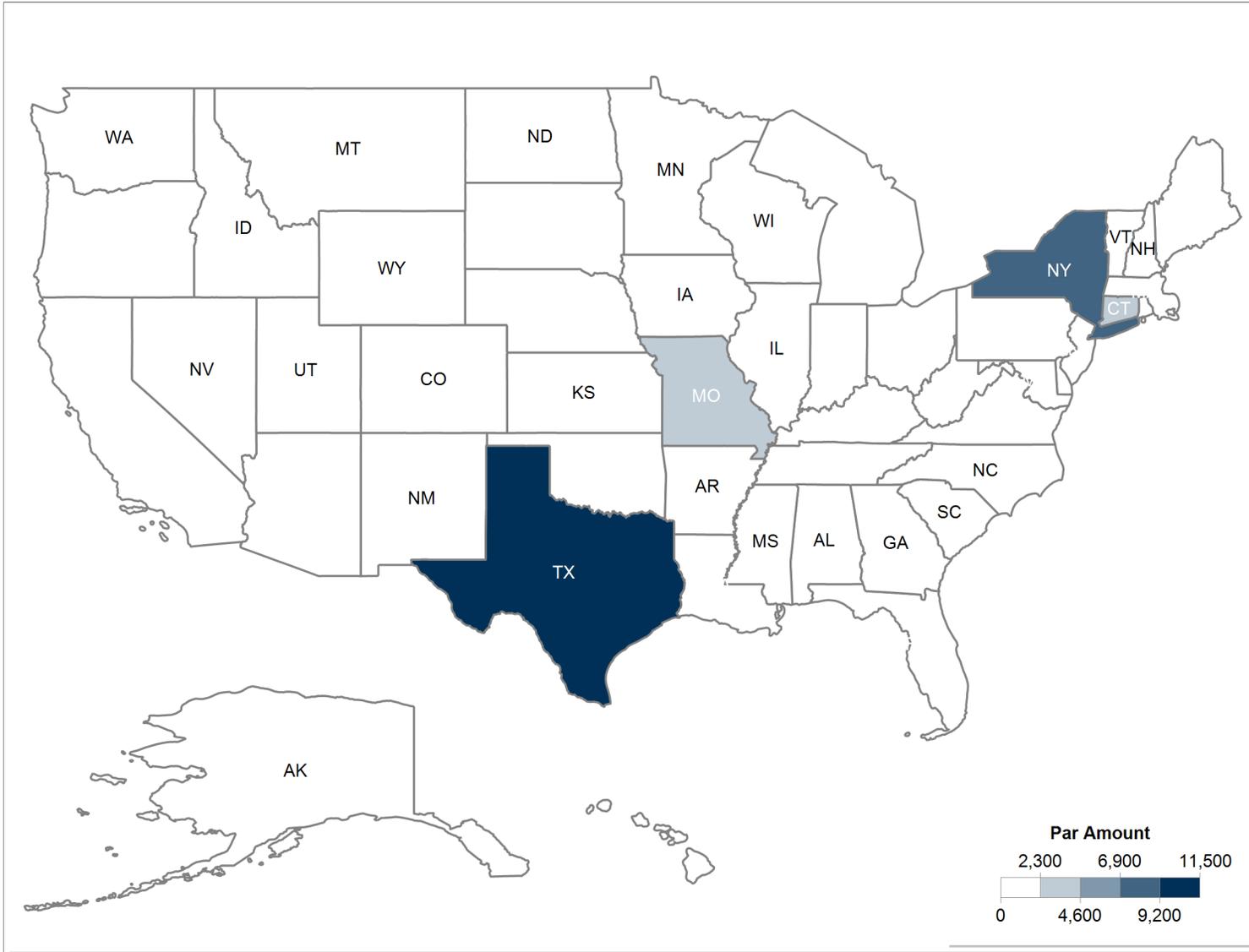


Taxable Coupon Summary				
Combined Rating	% Balance	Par Value	Book Yield	Eff. Duration
Below 1.50%	35.8%	16,680	0.93	1.67
1.50%-2.49%	8.8%	4,085	2.06	2.46
2.50%-3.49%	10.4%	4,835	1.45	2.07
3.50%-4.49%	14.9%	6,950	1.97	1.60
4.50%-5.49%	20.2%	9,405	1.47	2.08
>= 5.50%	9.3%	4,320	3.13	1.81
Total	99.3%	46,275	1.56	1.87

Taxable Coupon Distribution



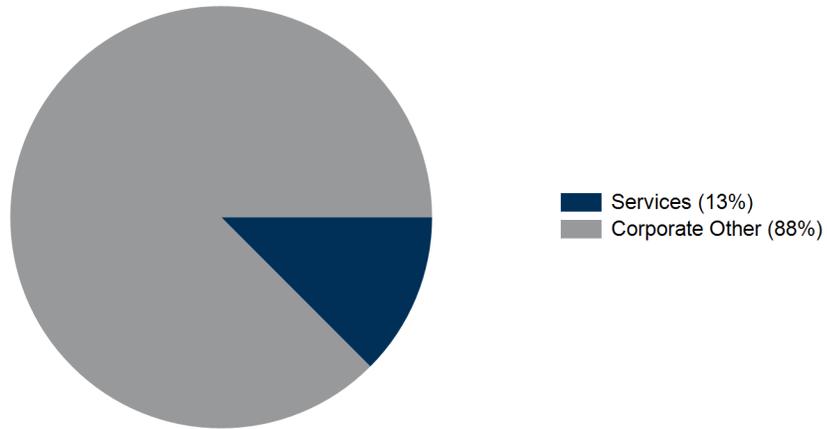
Municipal - Geographic Distribution



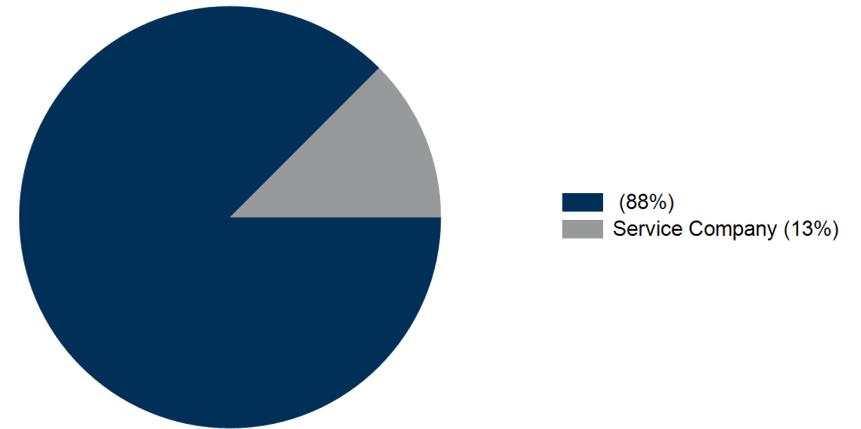
Top 25 States		
State	Par Amount	% Total
TX	10,275	22.1 %
NY	7,415	15.9 %
MO	4,565	9.8 %
CT	3,515	7.5 %
MA	2,000	4.3 %
TN	1,925	4.1 %
CA	1,905	4.1 %
PA	1,750	3.8 %
HI	1,500	3.2 %
NE	1,365	2.9 %
AZ	1,100	2.4 %
WV	1,010	2.2 %
VA	1,005	2.2 %
SD	1,000	2.1 %
OR	1,000	2.1 %
NJ	1,000	2.1 %
MI	1,000	2.1 %
ME	700	1.5 %
FL	500	1.1 %
KY	500	1.1 %
IN	385	0.8 %
LA	360	0.8 %
OK	300	0.6 %
MD	265	0.6 %
OH	250	0.5 %

Corporate - Summary

Sector Allocation



Industry Allocation



Subsector	Sector %	Par Value	Cpn	Maturity	Rating	Book	Market	G/L \$	G/L %	WAL	% Px Δ	Dur	Cvx	AFS %
					Moody's S&P	Price Value	Price Value	Yield	Yield	Base + 300	Base + 300	Base + 300	-100 +300	
Services (1)	12.5%	1,000	4.11	0.5 yrs	Aa1 AAA	101.74 1,017	99.89 999	-19 -33	-1.8% -3.3%	0.50 0.50	0.5 -1.5	0.48	0.00	100.0%
Corporate Other (6)	87.5%	7,000	0.00	0.5 yrs		97.68 6,838	97.68 6,838	0 -97	0.0% -1.4%	0.49 0.49	0.5 -1.4	0.48	0.01	100.0%
Total (7)	100.0%	8,000	0.51	0.5 yrs	Aa1 AAA	98.19 7,855	97.96 7,837	-19 -130	-0.2% -1.7%	0.49 0.49	0.5 -1.4	0.48	0.01	100.0%

Corporate - Rating Summary

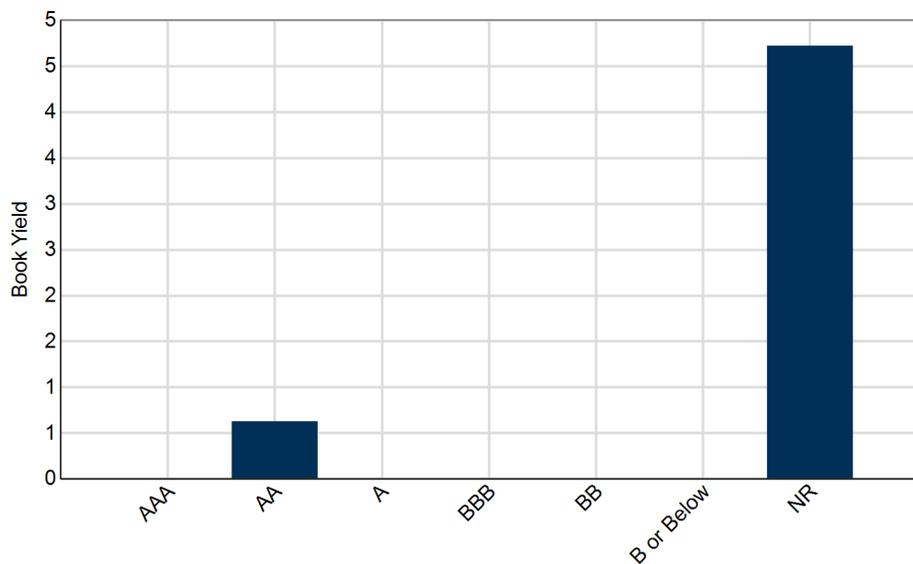
Combined Rating Summary

Combined Rating	% Balance	Par Value	Book Yield	Eff. Duration
AAA	-	-	-	-
AA	12.5%	1,000	0.62	0.48
A	-	-	-	-
BBB	-	-	-	-
BB	-	-	-	-
B or Below	-	-	-	-
NR	87.5%	7,000	4.72	0.48

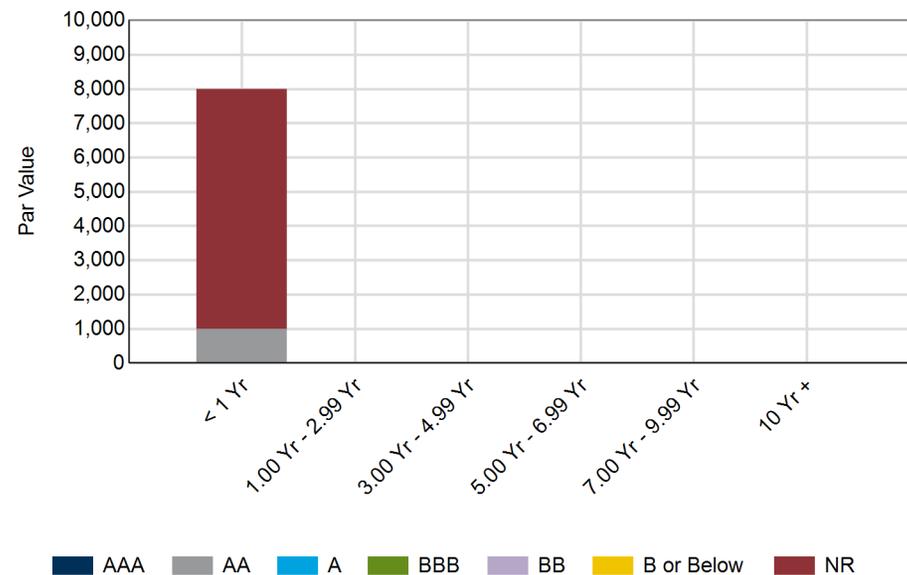
Maturity Summary

Maturity Range	% Balance	Par Value	Book Yield	Combined Rating
< 1 Yr	100.0%	8,000	4.19	AA+
1.00 Yr - 2.99 Yr	-	-	-	-
3.00 Yr - 4.99 Yr	-	-	-	-
5.00 Yr - 6.99 Yr	-	-	-	-
7.00 Yr - 9.99 Yr	-	-	-	-
10 Yr +	-	-	-	-

Book Yield by Combined Rating

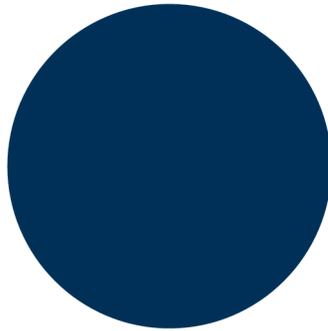


Combined Rating Distribution By Maturity



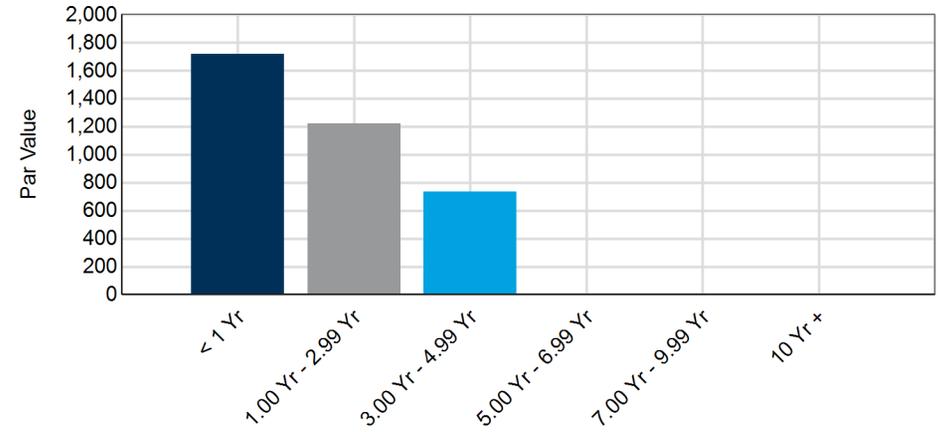
CD - Summary

Subsector



■ NCD (100.0%)

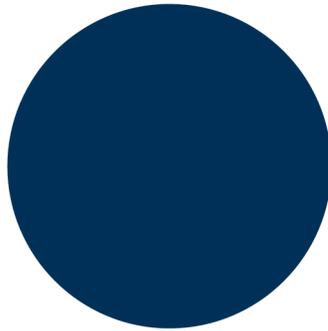
Par Value By Maturity



Subsector	Sector %	Par Value	Cpn	Maturity Next Call	Book		Market		G/L \$	G/L %	WAL	Px Chg	Dur	Cvx	AFS %
					Price Value	Yield	Price Value	Yield	+ 300	+ 300	+ 300	-100 +300	Base	Base	
NCD (15)	100.0%	3,678	2.13	1.5 yrs -0.3 yrs	100.06 3,680	1.87	95.04 3,495	5.16	-185 -328	-5.0% -8.9%	1.55 1.55	1.4 -4.1	1.42	0.04	100.0%
Total (15)	100.0%	3,678	2.13	1.5 yrs -0.3 yrs	100.06 3,680	1.87	95.04 3,495	5.16	-185 -328	-5.0% -8.9%	1.55 1.55	1.4 -4.1	1.42	0.04	100.0%

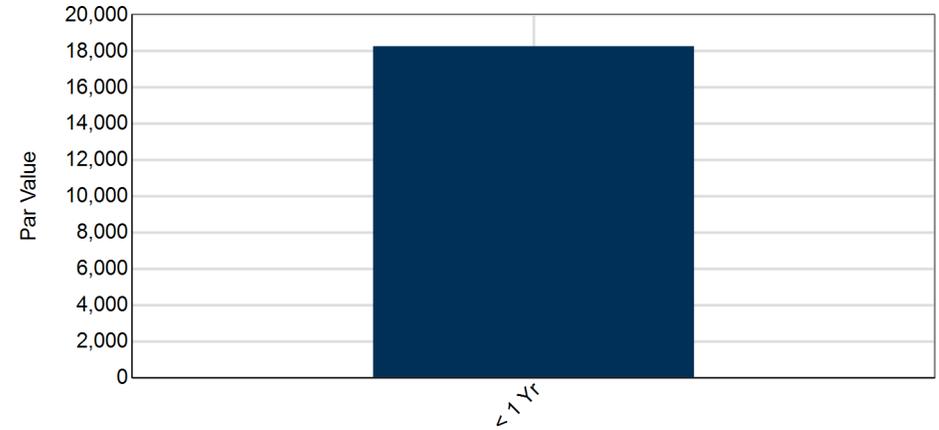
Other - Summary

Subsector



■ Cash & Other (100.0%)

Par Value By Maturity



Subsector	Sector %	Par Value	Cpn	Maturity Next Call	Book		Market		G/L \$	G/L %	WAL	Px Chg	Dur	Cvx	AFS %
					Price Value	Yield	Price Value	Yield	+ 300	+ 300	+ 300	-100 +300	Base	Base	
Cash & Other (1)	100.0%	18,266	4.50	0.1 yrs	100.00	4.54	18,266	4.54	-47	-0.3%	0.08	-0.3	0.09	0.00	100.0%
Total (1)	100.0%	18,266	4.50	0.1 yrs	100.00	4.54	18,266	4.54	-47	-0.3%	0.08	-0.3	0.09	0.00	100.0%

Portfolio Considerations

Sector	Cnt	Cpn	Maturity	Par Value	Book Price	Market Price	Gain/ (Loss)	Book Yield	WAL	Eff. Dur	Historical CPR			Proj. CPR	Loan Count
											1 Mo.	3 Mo.	Life	Life	
Book Yield < 2%	77	1.86	2.0 yrs	71,260	101.91	94.83	-5,051	0.88	2.0	1.87					
Treasury	1	1.63	0.3 yrs	1,000	99.94	99.06	-9	1.80	0.3	0.33					
Agency Bullet	1	2.75	0.2 yrs	4,500	100.36	99.65	-32	0.89	0.2	0.19					
Callable Agency	16	0.61	2.1 yrs	22,667	99.99	92.64	-1,667	0.62	2.1	1.89					
Agency Step	4	1.03	3.4 yrs	5,500	100.00	90.51	-522	1.44	3.5	3.21					
GM REV	1	4.00	2.5 yrs	315	108.60	102.95	-18	0.68	2.5	2.30					
Taxable GO	16	3.79	2.3 yrs	15,720	106.03	97.56	-1,333	1.01	2.3	2.12					
Taxable REV	28	1.70	2.0 yrs	18,355	101.93	94.91	-1,289	0.86	2.0	1.84					
Services	1	4.11	0.5 yrs	1,000	101.74	99.89	-19	0.62	0.5	0.48					
NCD	9	1.36	2.0 yrs	2,204	100.11	92.71	-163	0.95	2.0	1.89					

Key Portfolio Sorts

Top 10 Up 300 Market Value Changes (%)

CUSIP	Sector	Description	Cpn	Maturity	Par	Book	Market	G/L	Book	WAL	% Px Δ	\$ Amt Δ	G/L	Eff.	INT
					Value	Price	Price		Yield		+300	+300	+300	Dur	
68607LXQ5	Taxable GO	OREGON	5.89	06/01/27	1,000	103.60	103.20	-4	4.974	4.42	-10.81	-112	-116	3.84	AFS
798111HF0	Taxable REV	SAN JOAQUIN HILLS	2.15	01/15/27	750	100.78	88.49	-92	1.950	4.04	-10.62	-70	-163	3.73	AFS
3130AQPR8	Agency Step	FHLB 1.3 02/18/27	1.30	02/18/27	1,000	100.00	91.75	-83	2.231	4.13	-10.58	-97	-180	3.35	AFS
3130AQJ87	Callable Agency	FHLB 1.6 01/19/27	1.60	01/19/27	1,000	100.00	89.75	-102	1.600	4.05	-10.49	-94	-197	3.51	AFS
856285XL0	NCD	SBIIN 1.15 09/28/26	1.15	09/28/26	245	100.00	87.54	-31	1.150	3.74	-10.07	-22	-52	3.56	AFS
3130AP6D2	Callable Agency	FHLB 1 09/30/26	1.00	09/30/26	1,000	100.00	88.23	-118	1.000	3.75	-10.00	-88	-206	3.43	AFS
38149MZJ5	NCD	GS 1.05 09/08/26	1.05	09/08/26	245	100.00	87.35	-31	1.050	3.69	-9.96	-21	-52	3.51	AFS
795451AK9	NCD	SALLMA 1.1 08/11/26	1.10	08/11/26	245	100.00	87.72	-30	1.100	3.61	-9.76	-21	-51	3.43	AFS
3130AN5K2	Agency Step	FHLB 1 1/2 07/20/26	1.50	07/20/26	1,500	100.00	91.08	-134	1.500	3.56	-9.55	-130	-264	3.35	AFS
56042RJ52	Taxable REV	MAINE HEALTH &	1.30	07/01/26	200	100.87	87.57	-27	1.051	3.50	-9.44	-17	-43	3.31	AFS
			2.05		7,185	100.61	91.55	-651	2.038	3.91	-10.22	-672	-1,323	3.51	

Top 10 Up 300 Market Value Changes (\$)

CUSIP	Sector	Description	Cpn	Maturity	Par	Book	Market	G/L	Book	WAL	% Px Δ	\$ Amt Δ	G/L	Eff.	INT
					Value	Price	Price		Yield		+300	+300	+300	Dur	
235308D75	Taxable GO	DALLAS TEX INDPT	4.00	08/15/25	2,750	108.55	98.59	-274	0.706	2.63	-7.05	-191	-465	2.42	AFS
64966H4M9	Taxable GO	NEW YORK N Y	5.05	10/01/24	3,795	105.62	99.87	-218	1.775	1.75	-4.78	-181	-399	1.63	AFS
150461M57	Taxable GO	CEDAR PARK TEX	2.95	08/15/25	2,360	106.02	95.32	-252	0.635	2.63	-7.12	-160	-413	2.45	AFS
3134GWUG9	Callable Agency	FHLMC 0.57 09/24/25	0.57	09/24/25	2,000	100.00	90.03	-199	0.570	2.73	-7.53	-136	-335	2.58	AFS
3130AN5K2	Agency Step	FHLB 1 1/2 07/20/26	1.50	07/20/26	1,500	100.00	91.08	-134	1.500	3.56	-9.55	-130	-264	3.35	AFS
46873TAD5	Taxable REV	JACKSON TENN	3.40	04/01/26	1,925	103.40	97.87	-106	2.309	3.25	-6.75	-127	-234	1.69	AFS
3130AMMW9	Agency Step	FHLB 1 06/10/26	1.00	06/10/26	1,500	100.00	90.21	-147	1.434	3.44	-9.30	-126	-273	3.27	AFS
419791YT9	Taxable GO	HAWAII ST	5.33	02/01/26	1,500	113.26	102.79	-157	0.958	3.09	-8.03	-124	-281	2.76	AFS
3130AMDE9	Agency Step	FHLB 1 05/12/26	1.00	05/12/26	1,500	100.00	90.35	-145	1.439	3.37	-8.87	-120	-265	2.95	AFS
70914PME9	Taxable GO	PENNSYLVANIA	4.65	02/15/26	1,475	106.60	99.22	-109	2.444	3.13	-8.17	-120	-228	2.82	AFS
			3.20		20,305	104.69	96.11	-1,741	1.344	2.79	-7.25	-1,415	-3,157	2.43	

Key Portfolio Sorts

Top 10 Marked to Market Up 300 Loss Positions

CUSIP	Sector	Description	Cpn	Maturity	Par	Book	Market	G/L	Book	% Px Δ	\$ Amt Δ	G/L	Eff.	INT	
					Value	Price	Price		Yield						WAL
235308D75	Taxable GO	DALLAS TEX INDPT	4.00	08/15/25	2,750	108.55	98.59	-274	0.706	2.63	-7.05	-191	-465	2.42	AFS
150461M57	Taxable GO	CEDAR PARK TEX	2.95	08/15/25	2,360	106.02	95.32	-252	0.635	2.63	-7.12	-160	-413	2.45	AFS
64966H4M9	Taxable GO	NEW YORK N Y	5.05	10/01/24	3,795	105.62	99.87	-218	1.775	1.75	-4.78	-181	-399	1.63	AFS
3134GWUG9	Callable Agency	FHLMC 0.57 09/24/25	0.57	09/24/25	2,000	100.00	90.03	-199	0.570	2.73	-7.53	-136	-335	2.58	AFS
419791YT9	Taxable GO	HAWAII ST	5.33	02/01/26	1,500	113.26	102.79	-157	0.958	3.09	-8.03	-124	-281	2.76	AFS
3130AMMW9	Agency Step	FHLB 1 06/10/26	1.00	06/10/26	1,500	100.00	90.21	-147	1.434	3.44	-9.30	-126	-273	3.27	AFS
3130AMDE9	Agency Step	FHLB 1 05/12/26	1.00	05/12/26	1,500	100.00	90.35	-145	1.439	3.37	-8.87	-120	-265	2.95	AFS
3130AN5K2	Agency Step	FHLB 1 1/2 07/20/26	1.50	07/20/26	1,500	100.00	91.08	-134	1.500	3.56	-9.55	-130	-264	3.35	AFS
088632CT9	Taxable REV	BI-STATE DEV AGY MO	1.34	10/01/25	1,525	100.96	91.63	-142	0.991	2.75	-7.56	-106	-248	2.63	AFS
3136G4N74	Callable Agency	FNMA 0.56 08/21/25	0.56	08/21/25	1,500	100.00	90.29	-146	0.560	2.64	-7.30	-99	-244	2.49	AFS
			2.73		19,930	104.03	94.93	-1,814	1.085	2.70	-7.26	-1,373	-3,187	2.49	

Top 10 Average Life Extension Up 300bps

CUSIP	Sector	Description	Cpn	Maturity	Par	Book	Market	G/L	Book	% Px Δ	Eff.	WAL	Chg in	INT	
					Value	Price	Price		Yield						+300
3130AT6R3	Agency Step	FHLB 4 09/30/27	4.00	09/30/27	1,000	100.00	99.02	-10	4.590	-4.76	1.03	1.25	4.00	2.75	AFS
3135GACZ2	Callable Agency	FNMA 5.4 11/25/24	5.40	11/25/24	1,000	100.00	100.11	1	5.386	-3.52	0.75	0.40	1.90	1.50	AFS
3130ATLG0	Agency Step	FHLB 4 10/27/27	4.00	10/27/27	1,000	100.00	99.82	-2	4.404	-2.92	0.61	0.33	1.83	1.50	AFS
3130ARGS4	Agency Step	FHLB 2 04/14/27	2.00	04/14/27	1,000	100.00	96.89	-31	3.791	-7.10	1.76	3.29	4.29	1.00	AFS
3130ATQD2	Agency Step	FHLB 4.65 11/15/24	4.65	11/15/24	1,000	99.73	99.75	0	4.968	-3.30	0.88	0.88	1.88	1.00	AFS
3134GY5N8	Callable Agency	FHLMC 5 1/4 06/20/24	5.25	06/20/24	1,500	100.00	100.09	1	5.246	-3.21	0.77	0.47	1.47	1.00	AFS
3134GY2N1	Callable Agency	FHLMC 5.17 05/28/24	5.17	05/28/24	1,000	100.00	100.10	1	5.176	-3.30	0.86	0.66	1.41	0.75	AFS
3130ARCD1	Agency Step	FHLB 2 03/29/27	2.00	03/29/27	1,000	100.00	95.37	-46	3.403	-8.43	2.22	4.00	4.25	0.25	AFS
3134GXQR8	Agency Step	FHLMC 2 3/4 04/28/25	2.75	04/28/25	1,000	100.00	97.09	-29	3.550	-5.19	1.46	2.08	2.33	0.25	AFS
882669BS2	Taxable REV	TEXAS PUBLIC	0.50	02/01/24	1,000	100.00	95.51	-45	0.503	-3.04	1.04	1.09	1.09	0.00	AFS
			3.65		10,500	99.97	98.46	-159	4.156	-4.40	1.11	1.40	2.40	1.00	

Agency - CUSIP Detail

CUSIP		Cpn Type	Next Call Dt	Step Date	Maturity	Book		Market		Gain/(Loss)	% Px Δ	Eff.	ESG/Gr	
Security Description	Ticker	Par	Coupon	Call Type	Step Cpn	Proj. Final	Price Value	Yield	Price Value	bp→ call Yield	% \$	-100 +300	Dur Cvx	Intent
912828R28			Fixed			04/23	99.94		99.06		-0.9%	0.3	0.33	
T 1 5/8 04/30/23	T	1,000	1.625			04/30/23	999	1.80	991	4.48	-9	-1.0	0.00	AFS
912828XT2			Fixed			05/24	99.42		96.34		-3.1%	1.4	1.35	
T 2 05/31/24	T	1,000	2.000			05/31/24	994	2.42	963	4.70	-31	-3.9	0.03	AFS
Treasury							99.68		97.70		-2.0%	0.8	0.83	
		2,000	1.813				1,994	2.11	1,954	4.59	-40	-2.4	0.02	
3130ADRG9			Fixed			03/23	100.36		99.65		-0.7%	0.2	0.19	
FHLB 2 3/4 03/10/23	FHLB	4,500	2.750			03/10/23	4,516	0.89	4,484	4.55	-32	-0.6	0.00	AFS
3130ASNH8			Fixed			04/23	100.00		99.47		-0.5%	0.3	0.32	
FHLB 3 04/28/23	FHLB	1,000	3.000	One time		04/28/23	1,000	3.00	995	4.66	-5	-1.0	0.00	AFS
3130ATVJ3			Fixed			12/23	100.00		100.06		0.1%	0.9	0.88	
FHLB 5 12/06/23	FHLB	1,000	5.000			12/06/23	1,000	4.99	1,001	4.92	1	-2.6	0.02	AFS
3130ATCB1			Fixed			06/23	100.00		99.46		-0.5%	0.5	0.48	
FHLB 3 5/8 06/28/23	FHLB	1,000	3.625	One time		06/28/23	1,000	3.62	995	4.74	-5	-1.4	0.00	AFS
Agency Bullet							100.22		99.66		-0.6%	0.3	0.34	
		7,500	3.200				7,516	2.08	7,474	4.64	-42	-1.0	0.00	
3130AP6D2			Fixed	03/30/23		09/26	100.00		88.23	-528	-11.8%	3.4	3.43	
FHLB 1 09/30/26	FHLB	1,000	1.000	Quarterly		09/30/26	1,000	1.00	882	4.44	-118	-10.0	-0.01	AFS
3130AQJ87			Fixed	01/19/23		01/27	100.00		89.75	-457	-10.2%	3.4	3.51	
FHLB 1.6 01/19/27	FHLB	1,000	1.600	Quarterly		01/19/27	1,000	1.60	898	4.39	-102	-10.5	-0.01	AFS
3135G05R0			Fixed	02/10/23		08/23	99.96		97.28	-475	-2.7%	0.6	0.59	
FNMA 0.3 08/10/23	FNMA	3,000	0.300	Quarterly		08/10/23	2,999	0.36	2,918	4.87	-80	-1.8	0.01	AFS
3130AJZJ1			Fixed	01/17/23		08/23	99.99		97.11	-475	-2.9%	0.6	0.63	
FHLB 0.32 08/25/23	FHLB	2,667	0.320	Anytime		08/25/23	2,666	0.34	2,590	4.87	-77	-1.9	0.01	AFS
3130ATDT1			Fixed	03/29/23		09/23	100.00		99.44	-88	-0.6%	0.6	0.70	
FHLB 4.02 09/29/23	FHLB	2,000	4.020	One time		09/29/23	2,000	4.01	1,989	4.79	-11	-2.1	0.01	AFS
3135GACZ2			Fixed	05/25/23		05/23	100.00		100.11	14	0.1%	0.6	0.75	
FNMA 5.4 11/25/24	FNMA	1,000	5.400	Quarterly		11/25/24	1,000	5.39	1,001	5.10	1	-3.5	-0.64	AFS
3134GY5N8			Fixed	06/20/23		06/23	100.00		100.09	11	0.1%	0.7	0.77	
FHLMC 5 1/4 06/20/24	FHLMC	1,500	5.250	Quarterly		06/20/24	1,500	5.25	1,501	5.05	1	-3.2	-0.30	AFS
3134GXQM9			Fixed	01/25/23		10/23	100.00		98.07	-269	-1.9%	0.8	0.78	
FHLMC 2.4 10/25/23	FHLMC	1,000	2.400	Monthly		10/25/23	1,000	2.40	981	4.82	-19	-2.3	0.01	AFS
3134GY2N1			Fixed	08/28/23		08/23	100.00		100.10	11	0.1%	0.8	0.86	
FHLMC 5.17 05/28/24	FHLMC	1,000	5.170	One time		05/28/24	1,000	5.18	1,001	5.02	1	-3.3	-0.21	AFS
3130AQFK4			Fixed	01/19/23		01/24	99.96		95.76	-419	-4.2%	1.0	1.01	
FHLB 0.76 01/19/24	FHLB	1,000	0.760	One time		01/19/24	1,000	0.80	958	4.95	-42	-2.9	0.02	AFS
3130ASKS7			Fixed	01/25/23		07/24	100.00		98.39	-161	-1.6%	1.1	1.20	
FHLB 3 3/4 07/25/24	FHLB	1,000	3.750	Quarterly		07/25/24	1,000	3.75	984	4.82	-16	-4.0	-0.12	AFS
3130AND72			Fixed	01/29/23		04/24	100.00		94.32	-499	-5.7%	1.3	1.27	
FHLB 0.43 04/29/24	FHLB	1,000	0.430	Quarterly		04/29/24	1,000	0.43	943	4.89	-57	-3.7	0.02	AFS

Agency - CUSIP Detail

CUSIP	Security Description	Ticker	Par	Cpn Type Coupon	Next Call Dt Call Type	Step Date Step Cpn	Maturity	Book		Market		Gain/(Loss)	% Px Δ	Eff.	ESG/Gr Intent
							Proj. Final	Price Value	Yield	Price Value	bp→ call Yield	% \$	-100 +300	Dur Cvx	
3133EM3E0	FFCB 0.61 05/23/25	FFCB	1,000	Fixed 0.610	01/17/23 Anytime		05/25 05/23/25	99.99 1,000		91.17 912	-540 4.54	-8.8% -88	2.3 -6.6	2.26 0.06	AFS
3130ASG52	FHLB 4.1 06/30/27	FHLB	1,000	Fixed 4.100	06/30/23 Quarterly		06/27 06/30/27	100.00 1,000	4.10	96.53 965	-212 4.97	-3.5% -35	2.1 -9.2	2.38 -0.63	AFS
3136G4A45	FNMA 0.71 07/22/25	FNMA	1,500	Fixed 0.710	01/22/23 Quarterly		07/25 07/22/25	100.00 1,500	0.71	90.87 1,363	-525 4.53	-9.1% -137	2.4 -7.1	2.41 0.06	AFS
3136G4N74	FNMA 0.56 08/21/25	FNMA	1,500	Fixed 0.560	02/21/23 Quarterly		08/25 08/21/25	100.00 1,500	0.56	90.29 1,354	-545 4.50	-9.7% -146	2.5 -7.3	2.49 0.02	AFS
3136G4V59	FNMA 0 5/8 08/27/25	FNMA	1,500	Fixed 0.625	02/27/23 Quarterly		08/25 08/27/25	100.00 1,500	0.62	90.40 1,356	-537 4.50	-9.6% -144	2.5 -7.3	2.50 0.04	AFS
3134GWUG9	FHLMC 0.57 09/24/25	FHLMC	2,000	Fixed 0.570	03/24/23 Quarterly		09/25 09/24/25	100.00 2,000	0.57	90.03 1,801	-544 4.48	-10.0% -199	2.6 -7.5	2.58 -0.02	AFS
3130AP2G9	FHLB 0 3/4 12/30/25	FHLB	1,000	Fixed 0.750	03/30/23 Quarterly		12/25 12/30/25	100.00 1,000	0.75	89.75 897	-533 4.44	-10.3% -103	2.8 -8.2	2.79 -0.06	AFS
3130APAF2	FHLB 0.52 10/07/24	FHLB	1,000	Fixed 0.520	04/07/23 Quarterly		10/24 10/07/24	100.00 1,000	0.52	92.88 929	-524 4.76	-7.1% -71	1.7 -4.9	1.69 0.03	AFS
3130AMJX1	FHLB 0.65 12/09/24	FHLB	1,500	Fixed 0.650	02/09/23 Monthly		12/24 12/09/24	100.00 1,500	0.65	92.62 1,389	-527 4.67	-7.4% -111	1.8 -5.4	1.84 0.01	AFS
3133EMZ70	FFCB 0.48 02/10/25	FFCB	1,000	Fixed 0.480	01/17/23 Anytime		02/25 02/10/25	99.94 999	0.51	91.64 916	-557 4.68	-8.3% -83	2.0 -5.9	2.01 0.04	AFS
3133EMXQ0	FFCB 0.94 04/28/26	FFCB	1,000	Fixed 0.940	01/17/23 Anytime		04/26 04/28/26	100.00 1,000	0.94	89.12 891	-530 4.49	-10.9% -109	3.1 -9.0	3.07 -0.06	AFS
Callable Agency			31,167	1.621				99.99 31,164	1.63	94.39 29,420	4.74	-5.6% -1,744	1.6 -5.0	1.63 -0.06	
3130AMMW9	FHLB 1 06/10/26	FHLB	1,500	Step 1.000	03/10/23 Quarterly	06/10/23 1.500	06/26 06/10/26	100.00 1,500	1.43	90.21 1,353	4.53	-9.8% -147	3.3 -9.3	3.27 0.12	AFS
3130AMMJ8	FHLB 0.4 06/09/26	FHLB	1,000	Step 0.400	06/09/23 One time	06/09/23 1.500	06/26 06/09/26	100.00 1,000	1.36	90.35 904	4.40	-9.6% -96	3.3 -9.3	3.28 0.10	AFS
3130AN5K2	FHLB 1 1/2 07/20/26	FHLB	1,500	Step 1.500	07/26 One time		07/26 07/20/26	100.00 1,500	1.50	91.08 1,366	4.23	-8.9% -134	3.4 -9.6	3.35 0.13	AFS
3130AQPR8	FHLB 1.3 02/18/27	FHLB	1,000	Step 1.300	02/18/23 Quarterly	02/18/24 2.600	02/27 02/18/27	100.00 1,000	2.23	91.75 917	4.43	-8.3% -83	3.1 -10.6	3.35 -1.09	AFS
3130ARCD1	FHLB 2 03/29/27	FHLB	1,000	Step 2.000	03/29/23 Quarterly	03/29/23 2.500	12/26 03/29/27	100.00 1,000	3.40	95.37 954	4.67	-4.6% -46	2.0 -8.4	2.22 -0.59	AFS
3130ARGS4	FHLB 2 04/14/27	FHLB	1,000	Step 2.000	04/14/23 Annually	04/14/23 3.000	04/26 04/14/27	100.00 1,000	3.79	96.89 969	4.82	-3.1% -31	1.6 -7.1	1.76 -0.37	AFS
3130AMDE9	FHLB 1 05/12/26	FHLB	1,500	Step 1.000	02/12/23 Quarterly	11/12/24 2.000	05/26 05/12/26	100.00 1,500	1.44	90.35 1,355	4.55	-9.6% -145	2.9 -8.9	2.95 -0.01	AFS
3134GXQR8	FHLMC 2 3/4 04/28/25	FHLMC	1,000	Step 2.750	01/28/23 Quarterly	04/28/23 3.000	01/25 04/28/25	100.00 1,000	3.55	97.09 971	5.04	-2.9% -29	1.3 -5.2	1.46 -0.34	AFS

Agency - CUSIP Detail

CUSIP	Security Description	Ticker	Par	Cpn Type Coupon	Next Call Dt Call Type	Step Date Step Cpn	Maturity	Book		Market		Gain/(Loss)	% Px Δ	Eff.	ESG/Gr Intent
							Proj. Final	Price Value	Yield	Price Value	bp→ call Yield	% \$	-100 +300	Dur Cvx	
3130AT6R3	FHLB 4 09/30/27	FHLB	1,000	Step 4.000	03/30/23 Quarterly	03/30/23 4.500	03/24 09/30/27	100.00 1,000	4.59	99.02 990	5.41	-1.0% -10	0.9 -4.8	1.03 -0.18	AFS
3130ATQD2	FHLB 4.65 11/15/24	FHLB	1,000	Step 4.650	11/15/23 One time	11/15/23 6.000	11/23 11/15/24	99.73 997	4.97	99.75 997	4.94	0.0% 0	0.9 -3.3	0.88 -0.17	AFS
3130ATLG0	FHLB 4 10/27/27	FHLB	1,000	Step 4.000	01/27/23 Quarterly	01/27/23 4.500	04/23 10/27/27	100.00 1,000	4.40	99.82 998	4.97	-0.2% -2	0.3 -2.9	0.61 -0.08	AFS
Agency Step			12,500	2.108				99.98 12,497	2.79	94.20 11,775	4.70	-5.8% -722	2.2 -7.4	2.27 -0.19	
Total			53,167	1.966				100.01 53,171	1.98	95.22 50,623	4.71	-4.8% -2,548	1.5 -4.9	1.56 -0.08	

Municipal - CUSIP Detail

CUSIP Issuer	State BQ	Sector Use of Proceeds	Par Value	Cpn	Maturity	Sink Date Next Call	Rating	Book		Market		Gain/(Loss)	% Px Δ	Eff.	ESG/Gr Intent
							Moody's S&P	Price Value	TEY	Price Value	TEY	% \$	-100 +300	Dur Cvx	
067167YR1	TX	Taxable GO					Aaa	109.51		98.02		-10.5%	2.9	2.85	
BARBERS HILL TEX INDPT S	No	Pri. / Sec. Ed.	500	4.000	02/15/26		AAA	548	0.91	490	4.69	-57	-8.2	0.10	AFS
150461M57	TX	Taxable GO					NR	106.02		95.32		-10.1%	2.5	2.45	
CEDAR PARK TEX	No	Gen. Purp./Pub. Imp.	2,360	2.950	08/15/25		AAA	2,502	0.63	2,250	4.87	-252	-7.1	0.07	AFS
20772KEU9	CT	Taxable GO					Aa3	101.13		99.22		-1.9%	0.7	0.68	
CONNECTICUT ST	No	Gen. Purp./Pub. Imp.	1,000	3.621	09/15/23		AA-	1,011	2.01	992	4.74	-19	-2.0	0.01	AFS
20772GE61	CT	Taxable GO					Aa3	106.27		101.14		-4.8%	1.2	1.12	
CONNECTICUT ST	No	Other	1,205	5.730	03/15/24		AA-	1,281	0.52	1,219	4.74	-62	-3.3	0.02	AFS
20772KJX8	CT	Taxable GO					Aa3	103.15		93.54		-9.3%	2.4	2.36	
CONNECTICUT ST	No	Gen. Purp./Pub. Imp.	235	2.098	07/01/25		AA-	242	0.82	220	4.87	-23	-6.9	0.07	AFS
235308D75	TX	Taxable GO					Aaa	108.55		98.59		-9.2%	2.5	2.42	
DALLAS TEX INDPT SCH DI	No	Pri. / Sec. Ed.	2,750	4.000	08/15/25		AAA	2,985	0.71	2,711	4.57	-274	-7.0	0.07	AFS
345102PG6	CA	Taxable GO					Aaa	100.49		90.08		-10.4%	2.5	2.49	
FOOTHILL-DE ANZA CALIF	No	Higher Education	700	0.906	08/01/25		AAA	703	0.71	631	5.05	-73	-7.2	0.07	AFS
365820HB8	OH	Taxable GO					Aa2	102.90		96.76		-6.0%	1.5	1.56	
GARFIELD HEIGHTS OHIO C	No	Pri. / Sec. Ed.	250	3.100	12/15/24	06/15/23	NR	257	1.59	242	4.85	-15	-5.0	-0.18	AFS
419791YT9	HI	Taxable GO					Aa2	113.26		102.79		-9.2%	2.9	2.76	
HAWAII ST	No	Gen. Purp./Pub. Imp.	1,500	5.330	02/01/26		AA+	1,699	0.96	1,542	4.35	-157	-8.0	0.09	AFS
473142QY6	MO	Taxable GO					NR	100.00		89.06		-10.9%	3.1	3.01	
JEFFERSON CNTY MO CON	No	Pri. / Sec. Ed.	300	1.200	03/01/26		AA+	300	1.20	267	4.97	-33	-8.6	0.11	AFS
473142QX8	MO	Taxable GO					NR	100.00		91.77		-8.2%	2.1	2.08	
JEFFERSON CNTY MO CON	No	Pri. / Sec. Ed.	280	0.950	03/01/25		AA+	280	0.95	257	5.00	-23	-6.0	0.05	AFS
473142QW0	MO	Taxable GO					NR	100.00		95.01		-5.0%	1.1	1.12	
JEFFERSON CNTY MO CON	No	Pri. / Sec. Ed.	200	0.650	03/01/24		AA+	200	0.65	190	5.10	-10	-3.3	0.02	AFS
473142QV2	MO	Taxable GO					NR	100.00		99.39		-0.6%	0.2	0.17	
JEFFERSON CNTY MO CON	No	Pri. / Sec. Ed.	260	0.450	03/01/23		AA+	260	0.45	258	4.09	-2	-0.5	0.00	AFS
52908EPM9	KY	Taxable GO					Aa2	100.14		100.14		0.0%	0.1	0.09	
LEXINGTON-FAYETTE URB	No	Other	500	5.500	02/01/23		AA	501	3.81	501	3.85	0	-0.3	0.00	AFS
64763FTY5	LA	Taxable GO					A1	103.99		100.04		-3.8%	0.9	0.87	
NEW ORLEANS LA	No	Gen. Purp./Pub. Imp.	360	5.000	12/01/23		AA	374	0.64	360	4.95	-14	-2.6	0.02	AFS
64966JAP1	NY	Taxable GO					Aa2	101.94		100.43		-1.5%	0.9	0.87	
NEW YORK N Y	No	Gen. Purp./Pub. Imp.	1,000	5.687	12/01/23		AA	1,019	3.52	1,004	5.19	-15	-2.6	0.02	AFS
64966H4M9	NY	Taxable GO				10/01/23	Aa2	105.62		99.87		-5.4%	1.7	1.63	
NEW YORK N Y	No	Gen. Purp./Pub. Imp.	3,795	5.047	10/01/24		AA	4,008	1.77	3,790	5.12	-218	-4.8	0.04	AFS
6817126Z3	NE	Taxable GO					Aa2	100.27		88.67		-11.6%	3.2	3.15	
OMAHA CITY	No	Gen. Purp./Pub. Imp.	750	0.983	04/15/26		AA+	752	0.90	665	4.74	-87	-9.0	0.12	AFS

Municipal - CUSIP Detail

CUSIP Issuer	State BQ	Sector Use of Proceeds	Par Value	Cpn	Maturity	Sink Date Next Call	Rating	Book		Market		Gain/(Loss)	% Px Δ	Eff.	ESG/Gr Intent
							Moody's S&P	Price Value	TEY	Price Value	TEY	% \$	-100 +300	Dur Cvx	
68607LXQ5 OREGON	OR	Taxable GO Other	1,000	5.892	06/01/27	06/01/24	Aa1 AA+	103.60 1,036		103.20 1,032	5.07	-0.4% -4	3.9 -10.8	3.84 0.18	
70914PME9 PENNSYLVANIA (COMMON	PA	Taxable GO Gen. Purp./Pub. Imp.	1,475	4.650	02/15/26	02/15/23	Aa3 A+	106.60 1,572	4.97 2.44	99.22 1,464	5.07 4.92	-6.9% -109	2.9 -8.2	2.82 0.10	
721305CS7 PIKE TWP IND MET SCH DIS	IN	Taxable GO Pri. / Sec. Ed.	385	1.850	01/15/23		NR AA+	99.99 385		99.94 385	3.36	-0.1% 0	0.0 -0.1	0.04 0.00	
894673TA0 TREDYFFRIN-EASTTOWN P	PA	Taxable GO Pri. / Sec. Ed.	275	1.159	02/15/26		Aaa NR	100.59 277		88.83 244	5.07	-11.7% -32	3.0 -8.5	2.98 0.10	
Total Taxable GO			21,080	4.040			Aa1 AA+	105.28 22,193		98.26 20,713	4.80	-6.7% -1,480	2.1 -5.9	2.03 0.06	
084244HX3 BERKELEY CNTY W VA BLD	WV	Taxable REV Gen. Purp./Pub. Imp.	1,010	0.886	12/01/23		Aa3 NR	100.43 1,014		96.31 973	5.04	-4.1% -42	0.9 -2.6	0.88 0.02	
088632CT9 BI-STATE DEV AGY MO ILL	MO	Taxable REV Transportation	1,525	1.344	10/01/25		Aa2 AA	100.96 1,540		91.63 1,397	4.62	-9.2% -142	2.7 -7.6	2.63 0.08	
207580AR2 CONNECTICUT GREEN BK	CT	Taxable REV Utilities	200	1.200	11/15/25		NR AA-	100.00 200		90.27 181	4.87	-9.7% -19	2.8 -7.9	2.75 0.09	Y/Y AFS
207580AP6 CONNECTICUT GREEN BK	CT	Taxable REV Utilities	300	0.550	11/15/23		NR AA-	100.00 300		96.29 289	4.94	-3.7% -11	0.8 -2.5	0.84 0.01	Y/Y AFS
207580AQ4 CONNECTICUT GREEN BK	CT	Taxable REV Utilities	275	0.850	11/15/24		NR AA-	100.00 275		92.93 256	4.84	-7.1% -19	1.8 -5.2	1.81 0.04	Y/Y AFS
20775C6C3 CONNECTICUT ST HSG FIN	CT	Taxable REV Other	300	2.097	11/15/24		Aaa AAA	102.62 308		94.78 284	5.05	-7.6% -24	1.8 -5.2	1.79 0.04	
23542JQP3 DALLAS TEX WTRWKS & S	TX	Taxable REV Water Sewer	1,350	1.007	10/01/25		NR AAA	100.78 1,361		90.66 1,224	4.66	-10.0% -137	2.7 -7.6	2.64 0.08	
427908EF1 HERNANDO CNTY FLA WTR	FL	Taxable REV Water Sewer	250	0.589	06/01/24		Aa2 NR	100.00 250		94.08 235	4.96	-5.9% -15	1.4 -4.0	1.36 0.03	
427908EE4 HERNANDO CNTY FLA WTR	FL	Taxable REV Water Sewer	250	0.365	06/01/23		Aa2 NR	100.00 250		98.16 245	4.86	-1.8% -5	0.4 -1.2	0.41 0.00	
443728GD6 HUDSON CNTY N J IMPT AU	NJ	Taxable REV Gen. Purp./Pub. Imp.	1,000	3.875	08/04/23		NR NR	99.43 994		99.22 992	5.14	-0.2% -2	0.6 -1.7	0.58 0.01	
46873TAD5 JACKSON TENN ENERGY A	TN	Taxable REV Gen. Purp./Pub. Imp.	1,925	3.400	04/01/26	04/01/23	NR AA	103.40 1,990		97.87 1,884	4.10	-5.3% -106	1.5 -6.8	1.69 -0.68	
485106UX4 KANSAS CITY MO SPL OBLI	MO	Taxable REV Gen. Purp./Pub. Imp.	1,000	1.475	04/01/26		A2 AA-	101.29 1,013		89.13 891	5.15	-12.0% -122	3.2 -8.8	3.08 0.11	
56042RJ52 MAINE HEALTH & HIGHER E	ME	Taxable REV Other	200	1.304	07/01/26		A1 AA	100.87 202		87.57 175	5.23	-13.2% -27	3.4 -9.4	3.31 0.13	
56042RJ37 MAINE HEALTH & HIGHER E	ME	Taxable REV Other	250	0.711	07/01/24		A1 AA	100.00 250		93.21 233	5.48	-6.8% -17	1.5 -4.2	1.44 0.03	

Municipal - CUSIP Detail

CUSIP Issuer	State BQ	Sector Use of Proceeds	Par Value	Cpn	Maturity	Sink Date Next Call	Rating	Book		Market		Gain/(Loss)	% Px Δ	Eff.	ESG/Gr Intent
							Moody's S&P	Price Value	TEY	Price Value	TEY	% \$	-100 +300	Dur Cvx	
56042RJ29	ME	Taxable REV					A1	100.00		97.55		-2.5%	0.5	0.49	
MAINE HEALTH & HIGHER E	No	Other	250	0.509	07/01/23		AA	250	0.51	244	5.52	-6	-1.5	0.00	AFS
86666PAC2	AZ	Taxable REV					NR	100.13		94.15		-6.0%	1.5	1.43	
MARICOPA COUNTY SUN CI	No	Other	600	1.099	07/01/24		A+	601	1.01	565	5.19	-36	-4.2	0.03	AFS
86666PAE8	AZ	Taxable REV					NR	100.56		89.23		-11.3%	3.4	3.28	
MARICOPA COUNTY SUN CI	No	Other	500	1.707	07/01/26		A+	503	1.54	446	5.10	-57	-9.4	0.13	AFS
57419TDX6	MD	Taxable REV					Aa1	103.03		94.13		-8.6%	2.1	2.05	
MARYLAND ST CMNTY DEV	No	Other	265	2.198	03/01/25		NR	273	0.79	249	5.09	-24	-6.0	0.05	AFS
576004GV1	MA	Taxable REV					Aa1	99.98		99.29		-0.7%	0.5	0.52	Y/
MASSACHUSETTS (COMMO	No	Gen. Purp./Pub. Imp.	1,000	3.564	07/15/23		NR	1,000	3.61	993	4.90	-7	-1.6	0.01	AFS
57604TAB2	MA	Taxable REV					Aa1	110.25		101.04		-8.4%	2.3	2.24	
MASSACHUSETTS ST TRAN	No	Transportation	1,000	5.203	06/01/25		AA+	1,102	0.91	1,010	4.74	-92	-6.5	0.06	AFS
59447TXA6	MI	Taxable REV				09/01/24	Aa2	98.87		98.38		-0.5%	4.0	2.26	
MICHIGAN FIN AUTH REV	No	Pri. / Sec. Ed.	1,000	2.366	09/01/49	03/01/23	AA+	989	4.08	984	4.85	-5	-2.8	1.48	AFS
60636UJQ3	MO	Taxable REV					Aaa	96.72		96.03		-0.7%	1.0	0.96	
MISSOURI ST ENVIRONMEN	No	Other	1,000	0.704	01/01/24		NR	967	4.08	960	4.81	-7	-2.8	0.02	AFS
61945DAZ4	VA	Taxable REV					A2	101.89		89.65		-12.0%	3.1	2.99	
MOSAIC DIST CMNTY DEV A	No	Gen. Purp./Pub. Imp.	250	1.711	03/01/26		AA	255	1.10	224	5.30	-31	-8.6	0.11	AFS
64971M5K4	NY	Taxable REV					Aa1	111.41		101.45		-8.9%	2.7	2.59	
NEW YORK N Y CITY TRANS	No	Gen. Purp./Pub. Imp.	520	5.075	11/01/25		AAA	579	0.99	528	4.52	-52	-7.5	0.08	AFS
64971WDP2	NY	Taxable REV					Aa1	105.76		97.08		-8.2%	1.8	1.90	
NEW YORK N Y CITY TRANS	No	Gen. Purp./Pub. Imp.	700	3.780	02/01/26	02/01/24	AAA	740	1.85	680	4.81	-61	-6.9	0.00	AFS
650009S20	NY	Taxable REV					A1	103.84		93.24		-10.2%	2.9	2.80	
NEW YORK ST TWY AUTH G	No	Transportation	400	2.406	01/01/26		A	415	1.10	373	4.85	-42	-8.1	0.09	AFS
68189TBA3	NE	Taxable REV				02/01/24	Aa3	106.24		99.53		-6.3%	2.8	2.70	
OMAHA NEB SPL OBLIG	No	Gen. Purp./Pub. Imp.	615	6.400	02/01/26		AA+	653	4.22	612	6.57	-41	-7.9	0.09	AFS
73358W4V3	NY	Taxable REV					Aa3	100.36		98.20		-2.2%	0.5	0.49	
PORT AUTH N Y & N J	No	Transportation	1,000	1.086	07/01/23		AA-	1,004	0.36	982	4.74	-22	-1.5	0.00	AFS
79770GJA5	CA	Taxable REV					NR	100.35		93.89		-6.4%	1.5	1.51	Y/
SAN FRANCISCO CALIF CIT	No	Other	455	1.286	08/01/24		AA	457	1.06	427	5.35	-29	-4.4	0.03	AFS
798111HF0	CA	Taxable REV					A1	100.78		88.49		-12.2%	3.9	3.73	
SAN JOAQUIN HILLS CALIF	No	Transportation	750	2.153	01/15/27		AA	756	1.95	664	5.36	-92	-10.6	0.16	AFS
83754LAX5	SD	Taxable REV					NR	100.60		94.50		-6.1%	3.3	3.25	
SOUTH DAKOTA EDL ENHA	No	Other	1,000	1.495	06/01/26		NR	1,006	1.32	945	3.21	-61	-9.2	0.12	AFS
882669BR4	TX	Taxable REV					Aa1	100.00		99.68		-0.3%	0.1	0.09	
TEXAS PUBLIC FINANCE AU	No	Gen. Purp./Pub. Imp.	2,000	0.286	02/01/23		AA+	2,000	0.29	1,994	4.02	-6	-0.3	0.00	AFS
882669BS2	TX	Taxable REV					Aa1	100.00		95.51		-4.5%	1.1	1.04	
TEXAS PUBLIC FINANCE AU	No	Gen. Purp./Pub. Imp.	1,000	0.503	02/01/24		AA+	1,000	0.50	955	4.80	-45	-3.0	0.02	AFS

Municipal - CUSIP Detail

CUSIP Issuer	State BQ	Sector Use of Proceeds	Par Value	Cpn	Maturity	Sink Date Next Call	Rating	Book		Market		Gain/(Loss)	% Px Δ	Eff.	ESG/Gr Intent
							Moody's S&P	Price Value	TEY	Price Value	TEY	% \$	-100 +300	Dur Cvx	
91476PDR6	OK	Taxable REV					NR	101.54		95.33		-6.1%	1.9	1.95	
UNIVERSITY OKLA REVS	No	Higher Education	300	3.023	07/01/25	02/08/23	A+	305	2.39	286	5.03	-19	-6.4	-0.14	AFS
927781VU5	VA	Taxable REV					Aa1	106.83		99.51		-6.9%	1.6	1.55	
VIRGINIA COLLEGE BLDG A	No	Higher Education	755	4.750	09/01/24		AA+	807	0.63	751	5.06	-55	-4.6	0.04	AFS
Total Taxable REV							Aa1	101.64		95.78		-5.8%	1.8	1.73	
			25,195	2.110			AA+	25,608	1.58	24,131	4.76	-1,477	-5.0	0.05	
Total Taxable							Aa1	103.30		96.91		-6.2%	1.9	1.87	
			46,275	2.989			AA+	47,801	1.56	44,844	4.78	-2,956	-5.4	0.05	
882874KQ2	TX	GM REV					Aa3	108.60		102.95		-5.2%	2.4	2.30	
TEXAS WOMANS UNIV REV	No	Higher Education	315	4.000	07/01/25		NR	342	0.68	324	3.51	-18	-6.8	0.06	AFS
Total GM REV							Aa3	108.60		102.95		-5.2%	2.4	2.30	
			315	4.000				342	0.68	324	3.51	-18	-6.8	0.06	
Total Tax Exempt							Aa3	108.60		102.95		-5.2%	2.4	2.30	
			315	4.000				342	0.68	324	3.51	-18	-6.8	0.06	
Total							Aa1	103.33		96.95		-6.2%	1.9	1.87	
			46,590	2.996			AA+	48,143	1.56	45,169	4.77	-2,974	-5.4	0.05	

Corporate - CUSIP Detail

CUSIP	Sector	Par Value	Cpn	Maturity	Index Margin	Rating	Book		Market		Gain/(Loss)	% Px Δ	Eff.	ESG/Gr Intent
						S&P Moody's	Price Value	Yield	Price Value	Yield	\$	-100 +300	Dur Cvx	
742404AK2	Services					AAA	101.74		99.89		-1.8%	0.5	0.48	
RNCON 4.105 07/01/23	Service Company	1,000	4.105	07/01/23		Aa1	1,017	0.62	999	4.33	-19	-1.5	0.00	AFS
Services						AAA	101.74		99.89		-1.8%	0.5	0.48	
						Aa1	1,017	0.62	999	4.33	-19	-1.5	0.00	
46640QS93	Corporate Other					NR	98.28		98.28		0.0%	0.4	0.35	
JP Morgan CP		2,000	0.000	05/09/23		NR	1,966	4.90	1,966	4.90	0	-1.0	0.00	AFS
89233HSR6	Corporate Other					NR	98.54		98.54		0.0%	0.4	0.39	
Toyota Motor Credit		1,000	0.000	05/25/23		NR	985	3.67	985	3.67	0	-1.2	0.00	AFS
46640QT68	Corporate Other					NR	98.35		98.35		0.0%	0.4	0.43	
JP Morgan CP		1,000	0.000	06/06/23		NR	984	3.87	984	3.87	0	-1.3	0.00	AFS
46640QVE8	Corporate Other					NR	96.89		96.89		0.0%	0.6	0.61	
JP Morgan CP		1,000	0.000	08/14/23		NR	969	5.14	969	5.14	0	-1.8	0.01	AFS
8923A1VF5	Corporate Other					NR	96.78		96.78		0.0%	0.6	0.61	
Toyota Credit de Puerto Rico		1,000	0.000	08/15/23		NR	968	5.30	968	5.30	0	-1.8	0.01	AFS
8923A1VR9	Corporate Other					NR	96.64		96.64		0.0%	0.6	0.63	
Toyota Credit de Puerto Rico		1,000	0.000	08/25/23		NR	966	5.30	966	5.30	0	-1.9	0.01	AFS
Corporate Other							97.68		97.68		0.0%	0.5	0.48	
							6,838	4.72	6,838	4.72	0	-1.4	0.01	
Total						AAA	98.19		97.96		-0.2%	0.5	0.48	
						Aa1	7,855	4.19	7,837	4.67	-19	-1.4	0.01	

CD - CUSIP Detail

CUSIP	Security Description	Par Value	Coupon	Step	Maturity	Book		Market		Gain/(Loss)	% Px Δ	Effective	ESG/G r Intent
			Type Rate	Date Rate	Proj. Final	Price Value	Yield	Price Value	Yield	% \$	-100 +300	Dur Cvx	
62384RAF3	MOAFCU 3 03/27/23	249	Fixed 3.000		03/23 03/27/23	100.00 249	2.94	99.46 248	5.22	-0.5% -1	0.2 -0.7	0.24 0.00	AFS
91435LAG2	UNIICC 3.05 05/15/23	240	Fixed 3.050		05/23 05/15/23	100.91 242	0.58	99.17 238	5.32	-1.7% -4	0.4 -1.1	0.37 0.00	AFS
44963KAA6	IHMISS 2.9 05/30/23	245	Fixed 2.900		05/23 05/30/23	100.00 245	2.86	99.00 243	5.34	-1.0% -2	0.4 -1.2	0.41 0.00	AFS
034577AK2	ANFCU 3.2 06/21/23	246	Fixed 3.200		06/23 06/21/23	101.24 249	0.55	99.05 244	5.23	-2.2% -5	0.5 -1.4	0.47 0.00	AFS
89841MAA5	TRUFIN 2.95 06/29/23	245	Fixed 2.950		06/23 06/29/23	100.00 245	2.94	98.88 242	5.27	-1.1% -3	0.5 -1.4	0.48 0.00	AFS
130162AF7	CALCRE 4.1 09/22/23	245	Fixed 4.100		09/23 09/22/23	100.00 245	4.08	99.15 243	5.28	-0.8% -2	0.7 -2.1	0.70 0.01	AFS
549104TM9	LSAVBK 0.2 11/20/23	248	Fixed 0.200		11/23 11/20/23	98.82 245	1.54	95.67 237	5.25	-3.2% -8	0.9 -2.5	0.86 0.02	AFS
24951TAU9	DEPTCM 3 1/2 07/01/24	245	Fixed 3.500		07/24 07/01/24	100.00 245	3.52	97.55 239	5.25	-2.4% -6	1.2 -4.0	1.27 -0.05	AFS
22551KAA0	CRDTEX 3.2 07/22/24	245	Fixed 3.200		07/24 07/22/24	100.00 245	3.19	97.06 238	5.18	-2.9% -7	1.5 -4.3	1.46 0.03	AFS
05580AD68	BMW 0.65 09/17/24	245	Fixed 0.650		09/24 09/17/24	100.00 245	0.65	92.73 227	5.13	-7.3% -18	1.7 -4.8	1.65 0.04	AFS
87165FA20	SYF 0.65 09/17/24	245	Fixed 0.650		09/24 09/17/24	100.00 245	0.65	92.73 227	5.13	-7.3% -18	1.7 -4.8	1.65 0.04	AFS
70962LBA9	PENCRD 1 1/4 01/31/25	245	Fixed 1.250		01/25 01/31/25	100.00 245	1.26	92.46 227	5.13	-7.5% -18	2.0 -5.8	2.00 0.05	AFS
795451AK9	SALLMA 1.1 08/11/26	245	Fixed 1.100		08/26 08/11/26	100.00 245	1.10	87.72 215	4.85	-12.3% -30	3.5 -9.8	3.43 0.14	AFS
38149MZJ5	GS 1.05 09/08/26	245	Fixed 1.050		09/26 09/08/26	100.00 245	1.05	87.35 214	4.83	-12.6% -31	3.6 -10.0	3.51 0.14	AFS
856285XL0	SBIIN 1.15 09/28/26	245	Fixed 1.150		09/26 09/28/26	100.00 245	1.15	87.54 214	4.83	-12.5% -31	3.6 -10.1	3.56 0.15	AFS
NCD		3,678	2.128			100.06 3,680	1.87	95.04 3,495	5.16	-5.0% -185	1.4 -4.1	1.42 0.04	
Total		3,678	2.128			100.06 3,680	1.87	95.04 3,495	5.16	-5.0% -185	1.4 -4.1	1.42 0.04	

Other - CUSIP Detail

CUSIP	Ticker	Par Value	Coupon	Step	Maturity	Book		Market		Gain/(Loss)	% Px Δ	Effective	ESG/Gr Intent
			Type Rate	Date Rate	Proj. Final	Price Value	Yield	Price Value	Yield	\$	-100 +300	Dur Cvx	
			Fixed		01/23	100.00		100.00		0.0%	0.1	0.09	
TOACASH1		18,266	4.499		01/31/23	18,266	4.54	18,266	4.54	0	-0.3	0.00	AFS
Cash & Other		18,266	4.499			100.00		100.00		0.0%	0.1	0.09	
						18,266	4.54	18,266	4.54	0	-0.3	0.00	
Total		18,266	4.499			100.00		100.00		0.0%	0.1	0.09	
						18,266	4.54	18,266	4.54	0	-0.3	0.00	

Shocked CUSIP Analysis

CUSIP Description	Par Value Coupon Maturity	-300		-200		-100		Base		+100		+200		+300	
		\$ Amt Δ Mkt Px	% Px Δ Mkt Yld WAL	\$ Amt Δ Mkt Px	% Px Δ Mkt Yld WAL	\$ Amt Δ Mkt Px	% Px Δ Mkt Yld WAL	\$ Amt Δ Mkt Px	% Px Δ Mkt Yld Dur WAL	\$ Amt Δ Mkt Px	% Px Δ Mkt Yld WAL	\$ Amt Δ Mkt Px	% Px Δ Mkt Yld WAL	\$ Amt Δ Mkt Px	% Px Δ Mkt Yld WAL
3133EMZ70 FFCB 0.48 02/10/25	1,000 0.48 02/10/2025	53 96.98 2.11	5.82% 1.95 2.11	36 95.29 2.11	3.98% 2.79 2.11	18 93.49 2.11	2.01% 3.71 2.11	0 91.64 2.01	0.00% 4.68 2.11	-18 89.81 2.11	-2.00% 5.67 2.11	-36 88.01 2.11	-3.97% 6.66 2.11	-54 86.24 2.11	-5.90% 7.66 2.11
3133EM3E0 FFCB 0.61 05/23/25	1,000 0.61 05/23/2025	59 97.03 2.40	6.43% 1.88 2.40	40 95.21 2.40	4.43% 2.69 2.40	21 93.23 2.40	2.26% 3.58 2.40	0 91.17 2.26	0.00% 4.54 2.40	-21 89.11 2.40	-2.25% 5.52 2.40	-41 87.09 2.40	-4.47% 6.51 2.40	-61 85.12 2.40	-6.64% 7.51 2.40
3133EMXQ0 FFCB 0.94 04/28/26	1,000 0.94 04/28/2026	76 96.73 3.33	8.54% 1.96 3.33	53 94.44 3.33	5.96% 2.70 3.33	27 91.84 3.33	3.05% 3.56 3.33	0 89.12 3.07	0.00% 4.49 3.33	-27 86.39 3.33	-3.06% 5.47 3.33	-54 83.72 3.33	-6.06% 6.45 3.33	-80 81.13 3.33	-8.97% 7.44 3.33
3130AP2G9 FHLB 0 3/4 12/30/25	1,000 0.75 12/30/2025	70 96.78 3.00	7.83% 1.86 3.00	49 94.65 3.00	5.46% 2.62 3.00	25 92.24 3.00	2.78% 3.50 3.00	0 89.75 2.79	0.00% 4.44 3.00	-25 87.24 3.00	-2.79% 5.41 3.00	-50 84.79 3.00	-5.52% 6.40 3.00	-73 82.41 3.00	-8.17% 7.39 3.00
3130AJZJ1 FHLB 0.32 08/25/23	2,667 0.32 08/25/2023	50 98.99 0.65	1.94% 1.88 0.65	33 98.36 0.65	1.28% 2.88 0.65	17 97.73 0.65	0.64% 3.88 0.65	0 97.11 0.63	0.00% 4.87 0.65	-16 96.50 0.65	-0.63% 5.87 0.65	-32 95.90 0.65	-1.25% 6.86 0.65	-48 95.30 0.65	-1.86% 7.84 0.65
3130AMMJ8 FHLB 0.4 06/09/26	1,000 0.40 06/09/2026	81 98.47 3.44	8.98% 1.82 3.44	59 96.29 3.44	6.57% 2.49 3.44	30 93.36 3.44	3.32% 3.41 3.44	0 90.35 3.28	0.00% 4.40 3.44	-29 87.44 3.44	-3.22% 5.39 3.44	-57 84.64 3.44	-6.32% 6.39 3.44	-84 81.94 3.44	-9.31% 7.38 3.44
3130AND72 FHLB 0.43 04/29/24	1,000 0.43 04/29/2024	37 97.98 1.33	3.88% 1.98 1.33	24 96.76 1.33	2.59% 2.93 1.33	12 95.53 1.33	1.29% 3.91 1.33	0 94.32 1.27	0.00% 4.89 1.33	-12 93.13 1.33	-1.26% 5.88 1.33	-24 91.96 1.33	-2.50% 6.86 1.33	-35 90.81 1.33	-3.72% 7.84 1.33
3130APAF2 FHLB 0.52 10/07/24	1,000 0.52 10/07/2024	46 97.48 1.77	4.95% 1.97 1.77	31 96.01 1.77	3.36% 2.85 1.77	16 94.46 1.77	1.69% 3.79 1.77	0 92.88 1.69	0.00% 4.76 1.77	-16 91.33 1.77	-1.68% 5.75 1.77	-31 89.79 1.77	-3.33% 6.73 1.77	-46 88.29 1.77	-4.94% 7.72 1.77
3130AMJX1 FHLB 0.65 12/09/24	1,500 0.65 12/09/2024	73 97.52 1.94	5.29% 1.96 1.94	50 95.98 1.94	3.62% 2.79 1.94	25 94.32 1.94	1.83% 3.71 1.94	0 92.62 1.84	0.00% 4.67 1.94	-25 90.92 1.94	-1.83% 5.65 1.94	-51 89.25 1.94	-3.64% 6.64 1.94	-75 87.61 1.94	-5.41% 7.63 1.94
3130AQFK4 FHLB 0.76 01/19/24	1,000 0.76 01/19/2024	30 98.74 1.05	3.12% 1.97 1.05	20 97.73 1.05	2.06% 2.97 1.05	10 96.73 1.05	1.02% 3.96 1.05	0 95.76 1.01	0.00% 4.95 1.05	-10 94.80 1.05	-1.00% 5.93 1.05	-19 93.86 1.05	-1.98% 6.91 1.05	-28 92.94 1.05	-2.94% 7.88 1.05
3130AMDE9 FHLB 1 05/12/26	1,500 1.00 05/12/2026	104 97.30 3.12	7.69% 2.30 3.12	74 95.30 3.37	5.47% 2.91 3.37	39 92.95 3.37	2.87% 3.68 3.37	0 90.35 2.95	0.00% 4.55 3.37	-40 87.66 3.37	-2.98% 5.49 3.37	-81 84.97 3.37	-5.96% 6.46 3.37	-120 82.34 3.37	-8.87% 7.44 3.37
3130AMMW9 FHLB 1 06/10/26	1,500 1.00 06/10/2026	125 98.54 3.44	9.23% 1.87 3.44	89 96.17 3.44	6.60% 2.60 3.44	45 93.22 3.44	3.33% 3.54 3.44	0 90.21 3.27	0.00% 4.53 3.44	-44 87.31 3.44	-3.22% 5.53 3.44	-85 84.52 3.44	-6.31% 6.52 3.44	-126 81.83 3.44	-9.30% 7.51 3.44

Shocked CUSIP Analysis

CUSIP	Par Value	-300		-200		-100		Base		+100		+200		+300	
		\$ Amt Δ	% Px Δ												
Description	Coupon	Mkt Px	Mkt Yld												
	Maturity		WAL		WAL		WAL	Dur	WAL		WAL		WAL		WAL
3130AP6D2	1,000	83	9.46%	59	6.65%	30	3.41%	0	0.00%	-30	-3.42%	-60	-6.77%	-88	-10.00%
FHLB 1 09/30/26	1.00	96.58	1.95	94.09	2.67	91.24	3.51	88.23	4.44	85.21	5.41	82.26	6.40	79.40	7.39
	09/30/2026		3.75		3.75		3.75	3.43	3.75		3.75		3.75		3.75
3130AN5K2	1,500	147	10.74%	96	7.02%	47	3.44%	0	0.00%	-45	-3.31%	-89	-6.49%	-130	-9.55%
FHLB 1 1/2 07/20/26	1.50	100.86	1.25	97.47	2.24	94.21	3.24	91.08	4.23	88.06	5.22	85.17	6.21	82.38	7.21
	07/20/2026		3.56		3.56		3.56	3.35	3.56		3.56		3.56		3.56
3130AQPR8	1,000	66	7.20%	51	5.53%	28	3.10%	0	0.00%	-32	-3.53%	-65	-7.10%	-97	-10.58%
FHLB 1.3 02/18/27	1.30	98.35	2.78	96.82	4.20	94.59	3.65	91.75	4.43	88.50	5.35	85.23	6.33	82.04	7.32
	02/18/2027		1.13		1.13		4.13	3.35	4.13		4.13		4.13		4.13
3130AQJ87	1,000	81	9.03%	59	6.52%	31	3.44%	0	0.00%	-32	-3.55%	-64	-7.08%	-94	-10.49%
FHLB 1.6 01/19/27	1.60	97.86	2.15	95.61	2.75	92.84	3.51	89.75	4.39	86.57	5.33	83.40	6.30	80.34	7.29
	01/19/2027		4.05		4.05		4.05	3.51	4.05		4.05		4.05		4.05
3130ARCD1	1,000	44	4.65%	34	3.57%	19	2.01%	0	0.00%	-24	-2.48%	-51	-5.34%	-80	-8.43%
FHLB 2 03/29/27	2.00	99.81	2.59	98.78	3.23	97.29	3.95	95.37	4.67	93.01	5.33	90.28	6.09	87.33	6.94
	03/29/2027		0.75		2.25		3.25	2.22	4.00		4.25		4.25		4.25
3130ARGS4	1,000	32	3.33%	27	2.74%	15	1.57%	0	0.00%	-19	-1.95%	-42	-4.33%	-69	-7.10%
FHLB 2 04/14/27	2.00	100.11	1.61	99.55	3.13	98.41	4.03	96.89	4.82	95.00	5.58	92.69	6.21	90.01	6.96
	04/14/2027		0.29		1.29		2.29	1.76	3.29		4.29		4.29		4.29
3130ADRG9	4,500	26	0.58%	17	0.38%	9	0.19%	0	0.00%	-9	-0.19%	-17	-0.38%	-26	-0.57%
FHLB 2 3/4 03/10/23	2.75	100.23	1.57	100.03	2.56	99.84	3.55	99.65	4.55	99.46	5.55	99.27	6.55	99.08	7.56
	03/10/2023		0.19		0.19		0.19	0.19	0.19		0.19		0.19		0.19
3130ASNH8	1,000	10	0.98%	6	0.65%	3	0.32%	0	0.00%	-3	-0.32%	-6	-0.64%	-10	-0.96%
FHLB 3 04/28/23	3.00	100.44	1.65	100.12	2.65	99.79	3.65	99.47	4.66	99.15	5.66	98.83	6.67	98.52	7.68
	04/28/2023		0.33		0.33		0.33	0.32	0.33		0.33		0.33		0.33
3130ASKS7	1,000	18	1.83%	17	1.76%	11	1.11%	0	0.00%	-13	-1.28%	-26	-2.65%	-40	-4.03%
FHLB 3 3/4 07/25/24	3.75	100.19	0.95	100.12	1.96	99.49	4.15	98.39	4.82	97.13	5.69	95.79	6.62	94.42	7.58
	07/25/2024		0.07		0.07		1.32	1.20	1.57		1.57		1.57		1.57
3130ATCB1	1,000	15	1.48%	10	0.98%	5	0.49%	0	0.00%	-5	-0.48%	-10	-0.96%	-14	-1.43%
FHLB 3 5/8 06/28/23	3.63	100.93	1.73	100.44	2.73	99.95	3.73	99.46	4.74	98.98	5.74	98.51	6.74	98.04	7.75
	06/28/2023		0.49		0.49		0.49	0.48	0.49		0.49		0.49		0.49
3130AT6R3	1,000	16	1.62%	13	1.34%	8	0.85%	0	0.00%	-12	-1.21%	-28	-2.78%	-47	-4.76%
FHLB 4 09/30/27	4.00	100.62	1.48	100.35	2.59	99.86	4.53	99.02	5.41	97.82	6.13	96.26	6.86	94.30	7.58
	09/30/2027		0.25		0.25		0.25	1.03	1.25		2.25		3.25		4.00
3130ATLG0	1,000	4	0.42%	3	0.34%	3	0.27%	0	0.00%	-7	-0.73%	-17	-1.70%	-29	-2.92%
FHLB 4 10/27/27	4.00	100.24	0.85	100.16	1.86	100.08	2.87	99.82	4.97	99.10	6.08	98.12	6.95	96.90	7.78
	10/27/2027		0.08		0.08		0.08	0.61	0.33		0.83		1.33		1.83

Shocked CUSIP Analysis

CUSIP	Par Value	-300		-200		-100		Base		+100		+200		+300	
		\$ Amt Δ	% Px Δ												
Description	Coupon	Mkt Px	Mkt Yld												
	Maturity		WAL		WAL		WAL	Dur	WAL		WAL		WAL		WAL
3130ATDT1	2,000	25	1.28%	20	1.02%	13	0.64%	0	0.00%	-14	-0.71%	-28	-1.41%	-42	-2.11%
FHLB 4.02 09/29/23	4.02	100.71	1.14	100.45	2.17	100.07	3.71	99.44	4.79	98.73	5.77	98.03	6.76	97.34	7.74
	09/29/2023		0.25		0.25		0.25	0.70	0.75		0.75		0.75		0.75
3130ASG52	1,000	42	4.37%	34	3.48%	20	2.07%	0	0.00%	-26	-2.69%	-56	-5.84%	-89	-9.19%
FHLB 4.1 06/30/27	4.10	100.74	2.60	99.89	4.13	98.52	4.47	96.53	4.97	93.93	5.65	90.89	6.46	87.66	7.37
	06/30/2027		0.50		3.50		4.50	2.38	4.50		4.50		4.50		4.50
3130ATQD2	1,000	26	2.60%	17	1.73%	9	0.86%	0	0.00%	-9	-0.93%	-20	-2.01%	-33	-3.30%
FHLB 4.65 11/15/24	4.65	102.34	1.93	101.47	2.93	100.61	3.93	99.75	4.94	98.82	6.05	97.74	6.64	96.46	7.40
	11/15/2024		0.88		0.88		0.88	0.88	0.88		0.88		1.88		1.88
3130ATVJ3	1,000	27	2.74%	18	1.81%	9	0.90%	0	0.00%	-9	-0.88%	-17	-1.75%	-26	-2.60%
FHLB 5 12/06/23	5.00	102.81	1.94	101.88	2.94	100.96	3.93	100.06	4.92	99.18	5.90	98.31	6.88	97.46	7.85
	12/06/2023		0.93		0.93		0.93	0.88	0.93		0.93		0.93		0.93
3134GWUG9	2,000	132	7.35%	92	5.08%	46	2.57%	0	0.00%	-46	-2.57%	-92	-5.09%	-136	-7.53%
FHLMC 0.57 09/24/25	0.57	96.65	1.83	94.61	2.63	92.35	3.53	90.03	4.48	87.72	5.47	85.46	6.46	83.25	7.46
	09/24/2025		2.73		2.73		2.73	2.58	2.73		2.73		2.73		2.73
3134GXQR8	1,000	30	3.12%	24	2.44%	13	1.35%	0	0.00%	-15	-1.57%	-32	-3.32%	-50	-5.19%
FHLMC 2 3/4 04/28/25	2.75	100.11	1.31	99.46	3.56	98.39	4.28	97.09	5.04	95.56	5.75	93.86	6.57	92.05	7.46
	04/28/2025		0.08		1.08		1.83	1.46	2.08		2.33		2.33		2.33
3134GXQM9	1,000	20	2.08%	15	1.55%	8	0.79%	0	0.00%	-8	-0.78%	-15	-1.55%	-23	-2.30%
FHLMC 2.4 10/25/23	2.40	100.11	0.83	99.59	3.13	98.84	3.84	98.07	4.82	97.31	5.81	96.56	6.79	95.81	7.76
	10/25/2023		0.07		0.57		0.82	0.78	0.82		0.82		0.82		0.82
3134GY5N8	1,500	25	1.65%	18	1.17%	10	0.66%	0	0.00%	-13	-0.89%	-30	-2.00%	-48	-3.21%
FHLMC 5 1/4 06/20/24	5.25	101.74	1.53	101.26	2.55	100.75	3.64	100.09	5.05	99.19	5.83	98.09	6.63	96.87	7.53
	06/20/2024		0.47		0.47		0.47	0.77	0.47		1.47		1.47		1.47
3134GY2N1	1,000	21	2.11%	14	1.44%	8	0.77%	0	0.00%	-10	-0.95%	-21	-2.08%	-33	-3.31%
FHLMC 5.17 05/28/24	5.17	102.21	1.80	101.54	2.80	100.87	3.83	100.10	5.02	99.14	5.81	98.01	6.66	96.79	7.61
	05/28/2024		0.66		0.66		0.66	0.86	0.66		1.41		1.41		1.41
3136G4V59	1,500	97	7.12%	67	4.92%	34	2.50%	0	0.00%	-34	-2.50%	-67	-4.94%	-99	-7.33%
FNMA 0 5/8 08/27/25	0.63	96.83	1.85	94.85	2.64	92.66	3.54	90.40	4.50	88.14	5.48	85.93	6.47	83.77	7.47
	08/27/2025		2.66		2.66		2.66	2.50	2.66		2.66		2.66		2.66
3135G05R0	3,000	53	1.82%	35	1.20%	17	0.60%	0	0.00%	-17	-0.59%	-34	-1.18%	-51	-1.75%
FNMA 0.3 08/10/23	0.30	99.05	1.87	98.45	2.88	97.86	3.87	97.28	4.87	96.70	5.87	96.14	6.86	95.57	7.86
	08/10/2023		0.61		0.61		0.61	0.59	0.61		0.61		0.61		0.61
3136G4N74	1,500	96	7.13%	67	4.92%	34	2.49%	0	0.00%	-34	-2.49%	-67	-4.92%	-99	-7.30%
FNMA 0.56 08/21/25	0.56	96.72	1.84	94.73	2.64	92.54	3.54	90.29	4.50	88.04	5.48	85.84	6.48	83.70	7.47
	08/21/2025		2.64		2.64		2.64	2.49	2.64		2.64		2.64		2.64

Shocked CUSIP Analysis

CUSIP	Par Value	-300		-200		-100		Base		+100		+200		+300	
		\$ Amt Δ	% Px Δ												
Description	Coupon	Mkt Px	Mkt Yld												
	Maturity		WAL		WAL		WAL	Dur	WAL		WAL		WAL		WAL
3136G4A45	1,500	93	6.81%	64	4.71%	33	2.40%	0	0.00%	-33	-2.40%	-65	-4.76%	-96	-7.06%
FNMA 0.71 07/22/25	0.71	97.06	1.89	95.15	2.68	93.05	3.57	90.87	4.53	88.69	5.51	86.54	6.50	84.45	7.50
	07/22/2025		2.56		2.56		2.56	2.41	2.56		2.56		2.56		2.56
3135GACZ2	1,000	14	1.44%	10	1.03%	6	0.59%	0	0.00%	-9	-0.92%	-21	-2.12%	-35	-3.52%
FNMA 5.4 11/25/24	5.40	101.55	1.53	101.14	2.53	100.70	3.61	100.11	5.10	99.19	5.85	97.99	6.53	96.59	7.35
	11/25/2024		0.40		0.40		0.40	0.75	0.40		1.90		1.90		1.90
912828R28	1,000	10	0.99%	7	0.66%	3	0.33%	0	0.00%	-3	-0.33%	-6	-0.65%	-10	-0.97%
T 1 5/8 04/30/23	1.63	100.05	1.48	99.72	2.48	99.39	3.48	99.06	4.48	98.74	5.48	98.42	6.49	98.10	7.49
	04/30/2023		0.33		0.33		0.33	0.33	0.33		0.33		0.33		0.33
912828XT2	1,000	40	4.20%	27	2.77%	13	1.37%	0	0.00%	-13	-1.34%	-26	-2.65%	-38	-3.93%
T 2 05/31/24	2.00	100.39	1.72	99.01	2.72	97.66	3.71	96.34	4.70	95.05	5.69	93.79	6.67	92.55	7.65
	05/31/2024		1.42		1.42		1.42	1.35	1.42		1.42		1.42		1.42
Treasury/Agency	53,167	2,101	4.15%	1,481	2.92%	770	1.52%	0	0.00%	-807	-1.59%	-1,632	-3.22%	-2,463	-4.87%
	1.97	99.17	1.76	98.00	2.75	96.66	3.71	95.22	4.71	93.70	5.66	92.15	6.60	90.58	7.56
			1.43		1.57		1.72	1.56	1.81		1.93		1.98		2.00
067167YR1	500	45	9.14%	29	5.98%	14	2.94%	0	0.00%	-14	-2.84%	-27	-5.58%	-40	-8.23%
BARBERS HILL TEX INDPT	4.00	106.97	1.70	103.88	2.70	100.90	3.69	98.02	4.69	95.23	5.68	92.55	6.68	89.95	7.68
	02/15/2026		3.13		3.13		3.13	2.85	3.13		3.13		3.13		3.13
084244HX3	1,010	26	2.72%	17	1.80%	9	0.89%	0	0.00%	-9	-0.87%	-17	-1.73%	-25	-2.58%
BERKELEY CNTY W VA	0.89	98.93	2.06	98.04	3.06	97.17	4.05	96.31	5.04	95.47	6.02	94.64	7.00	93.83	7.98
	12/01/2023		0.92		0.92		0.92	0.88	0.92		0.92		0.92		0.92
088632CT9	1,525	116	8.30%	76	5.45%	37	2.68%	0	0.00%	-36	-2.60%	-71	-5.12%	-106	-7.56%
BI-STATE DEV AGY MO ILL	1.34	99.23	1.63	96.61	2.63	94.08	3.62	91.63	4.62	89.24	5.61	86.94	6.61	84.70	7.61
	10/01/2025		2.75		2.75		2.75	2.63	2.75		2.75		2.75		2.75
150461M57	2,360	175	7.78%	115	5.11%	57	2.52%	0	0.00%	-55	-2.44%	-108	-4.81%	-160	-7.12%
CEDAR PARK TEX	2.95	102.73	1.88	100.19	2.87	97.72	3.87	95.32	4.87	92.99	5.87	90.73	6.87	88.54	7.87
	08/15/2025		2.63		2.63		2.63	2.45	2.63		2.63		2.63		2.63
207580AP6	300	7	2.59%	5	1.71%	2	0.85%	0	0.00%	-2	-0.84%	-5	-1.66%	-7	-2.46%
CONNECTICUT GREEN BK	0.55	98.78	1.96	97.94	2.96	97.10	3.95	96.29	4.94	95.48	5.92	94.69	6.90	93.91	7.88
	11/15/2023		0.88		0.88		0.88	0.84	0.88		0.88		0.88		0.88
207580AQ4	275	14	5.63%	9	3.71%	5	1.83%	0	0.00%	-5	-1.79%	-9	-3.54%	-13	-5.25%
CONNECTICUT GREEN BK	0.85	98.16	1.86	96.37	2.85	94.63	3.85	92.93	4.84	91.26	5.84	89.64	6.83	88.05	7.82
	11/15/2024		1.88		1.88		1.88	1.81	1.88		1.88		1.88		1.88
207580AR2	200	16	8.69%	10	5.70%	5	2.80%	0	0.00%	-5	-2.71%	-10	-5.34%	-14	-7.88%
CONNECTICUT GREEN BK	1.20	98.12	1.88	95.42	2.87	92.80	3.87	90.27	4.87	87.82	5.86	85.45	6.86	83.16	7.86
	11/15/2025		2.88		2.88		2.88	2.75	2.88		2.88		2.88		2.88

Shocked CUSIP Analysis

		-300		-200		-100		Base		+100		+200		+300	
CUSIP	Par Value	\$ Amt Δ	% Px Δ												
Description	Coupon	Mkt Px	Mkt Yld												
	Maturity		WAL		WAL		WAL	Dur	WAL		WAL		WAL		WAL
20772GE61	1,205	43	3.53%	28	2.33%	14	1.15%	0	0.00%	-14	-1.13%	-27	-2.23%	-40	-3.32%
CONNECTICUT ST	5.73	104.70	1.78	103.49	2.77	102.30	3.76	101.14	4.74	99.99	5.73	98.88	6.70	97.78	7.68
	03/15/2024		1.21		1.21		1.21	1.12	1.21		1.21		1.21		1.21
20772KJX8	235	16	7.48%	11	4.91%	5	2.42%	0	0.00%	-5	-2.35%	-10	-4.64%	-15	-6.87%
CONNECTICUT ST	2.10	100.53	1.88	98.14	2.88	95.81	3.87	93.54	4.87	91.34	5.87	89.20	6.87	87.12	7.87
	07/01/2025		2.50		2.50		2.50	2.36	2.50		2.50		2.50		2.50
20772KEU9	1,000	21	2.10%	14	1.39%	7	0.69%	0	0.00%	-7	-0.68%	-13	-1.35%	-20	-2.01%
CONNECTICUT ST	3.62	101.31	1.75	100.60	2.75	99.91	3.75	99.22	4.74	98.55	5.74	97.88	6.73	97.22	7.71
	09/15/2023		0.71		0.71		0.71	0.68	0.71		0.71		0.71		0.71
20775C6C3	300	16	5.58%	10	3.68%	5	1.82%	0	0.00%	-5	-1.77%	-10	-3.51%	-15	-5.20%
CONNECTICUT ST HSG	2.10	100.07	2.06	98.26	3.06	96.50	4.05	94.78	5.05	93.10	6.04	91.46	7.04	89.85	8.03
	11/15/2024		1.88		1.88		1.88	1.79	1.88		1.88		1.88		1.88
235308D75	2,750	209	7.70%	137	5.06%	68	2.49%	0	0.00%	-66	-2.42%	-129	-4.77%	-191	-7.05%
DALLAS TEX INDPT SCH	4.00	106.18	1.59	103.58	2.58	101.05	3.58	98.59	4.57	96.21	5.57	93.90	6.57	91.65	7.57
	08/15/2025		2.63		2.63		2.63	2.42	2.63		2.63		2.63		2.63
23542JQP3	1,350	102	8.33%	67	5.47%	33	2.69%	0	0.00%	-32	-2.61%	-63	-5.14%	-93	-7.59%
DALLAS TEX WTRWKS &	1.01	98.21	1.67	95.61	2.67	93.10	3.67	90.66	4.66	88.29	5.66	86.00	6.66	83.78	7.65
	10/01/2025		2.75		2.75		2.75	2.64	2.75		2.75		2.75		2.75
345102PG6	700	49	7.83%	32	5.14%	16	2.53%	0	0.00%	-16	-2.46%	-31	-4.85%	-45	-7.17%
FOOTHILL-DE ANZA CALIF	0.91	97.13	2.05	94.71	3.05	92.36	4.05	90.08	5.05	87.86	6.05	85.71	7.05	83.62	8.05
	08/01/2025		2.59		2.59		2.59	2.49	2.59		2.59		2.59		2.59
365820HB8	250	9	3.64%	7	2.71%	4	1.47%	0	0.00%	-4	-1.62%	-8	-3.32%	-12	-5.05%
GARFIELD HEIGHTS OHIO	3.10	100.29	2.46	99.38	3.46	98.19	4.07	96.76	4.85	95.19	5.73	93.55	6.67	91.88	7.64
	12/15/2024		0.46		1.79		1.96	1.56	1.96		1.96		1.96		1.96
419791YT9	1,500	137	8.89%	90	5.83%	44	2.86%	0	0.00%	-43	-2.77%	-84	-5.44%	-124	-8.03%
HAWAII ST	5.33	111.93	1.37	108.78	2.36	105.73	3.36	102.79	4.35	99.94	5.35	97.20	6.34	94.54	7.34
	02/01/2026		3.09		3.09		3.09	2.76	3.09		3.09		3.09		3.09
427908EF1	250	10	4.23%	7	2.79%	3	1.38%	0	0.00%	-3	-1.35%	-6	-2.67%	-9	-3.97%
HERNANDO CNTY FLA	0.59	98.07	1.98	96.71	2.97	95.38	3.97	94.08	4.96	92.81	5.94	91.57	6.93	90.35	7.91
	06/01/2024		1.42		1.42		1.42	1.36	1.42		1.42		1.42		1.42
427908EE4	250	3	1.25%	2	0.83%	1	0.41%	0	0.00%	-1	-0.41%	-2	-0.82%	-3	-1.22%
HERNANDO CNTY FLA	0.37	99.39	1.84	98.97	2.84	98.56	3.85	98.16	4.86	97.75	5.87	97.35	6.88	96.96	7.88
	06/01/2023		0.42		0.42		0.42	0.41	0.42		0.42		0.42		0.42
443728GD6	1,000	18	1.80%	12	1.19%	6	0.59%	0	0.00%	-6	-0.59%	-12	-1.16%	-17	-1.73%
HUDSON CNTY N J IMPT	3.88	101.00	2.13	100.40	3.13	99.81	4.14	99.22	5.14	98.64	6.14	98.06	7.14	97.50	8.13
	08/04/2023		0.59		0.59		0.59	0.58	0.59		0.59		0.59		0.59

Shocked CUSIP Analysis

		-300		-200		-100		Base		+100		+200		+300	
CUSIP	Par Value	\$ Amt Δ	% Px Δ												
Description	Coupon	Mkt Px	Mkt Yld												
	Maturity		WAL		WAL		WAL	Dur	WAL		WAL		WAL		WAL
46873TAD5	1,925	53	2.80%	45	2.38%	27	1.45%	0	0.00%	-37	-1.94%	-80	-4.24%	-127	-6.75%
JACKSON TENN ENERGY	3.40	100.62	0.95	100.20	2.60	99.29	3.65	97.87	4.10	95.97	4.75	93.72	5.53	91.26	6.42
	04/01/2026		0.25		0.25		3.00	1.69	3.25		3.25		3.25		3.25
473142QY6	300	26	9.58%	17	6.27%	8	3.08%	0	0.00%	-8	-2.97%	-16	-5.84%	-23	-8.62%
JEFFERSON CNTY MO	1.20	97.59	1.99	94.65	2.98	91.80	3.98	89.06	4.97	86.41	5.97	83.85	6.96	81.38	7.96
	03/01/2026		3.17		3.17		3.17	3.01	3.17		3.17		3.17		3.17
473142QX8	280	17	6.52%	11	4.29%	5	2.12%	0	0.00%	-5	-2.07%	-10	-4.08%	-16	-6.04%
JEFFERSON CNTY MO	0.95	97.75	2.01	95.71	3.01	93.71	4.00	91.77	5.00	89.87	6.00	88.02	6.99	86.22	7.99
	03/01/2025		2.17		2.17		2.17	2.08	2.17		2.17		2.17		2.17
473142QW0	200	7	3.47%	4	2.29%	2	1.13%	0	0.00%	-2	-1.11%	-4	-2.20%	-6	-3.26%
JEFFERSON CNTY MO	0.65	98.31	2.12	97.19	3.12	96.09	4.11	95.01	5.10	93.96	6.08	92.92	7.06	91.91	8.03
	03/01/2024		1.17		1.17		1.17	1.12	1.17		1.17		1.17		1.17
473142QV2	260	1	0.50%	1	0.33%	0	0.17%	0	0.00%	0	-0.17%	-1	-0.33%	-1	-0.49%
JEFFERSON CNTY MO	0.45	99.89	1.12	99.72	2.10	99.56	3.10	99.39	4.09	99.23	5.09	99.06	6.09	98.90	7.09
	03/01/2023		0.17		0.17		0.17	0.17	0.17		0.17		0.17		0.17
485106UX4	1,000	87	9.81%	57	6.42%	28	3.15%	0	0.00%	-27	-3.04%	-53	-5.97%	-78	-8.80%
KANSAS CITY MO SPL	1.48	97.87	2.16	94.85	3.15	91.94	4.15	89.13	5.15	86.42	6.14	83.81	7.14	81.29	8.14
	04/01/2026		3.25		3.25		3.25	3.08	3.25		3.25		3.25		3.25
52908EPM9	500	1	0.27%	1	0.18%	0	0.09%	0	0.00%	0	-0.09%	-1	-0.18%	-1	-0.27%
LEXINGTON-FAYETTE	5.50	100.41	0.72	100.32	1.76	100.23	2.80	100.14	3.85	100.05	4.90	99.96	5.95	99.87	7.01
	02/01/2023		0.09		0.09		0.09	0.09	0.09		0.09		0.09		0.09
56042RJ37	250	10	4.48%	7	2.95%	3	1.46%	0	0.00%	-3	-1.43%	-7	-2.82%	-10	-4.19%
MAINE HEALTH & HIGHER	0.71	97.39	2.49	95.96	3.49	94.57	4.49	93.21	5.48	91.88	6.47	90.58	7.45	89.31	8.44
	07/01/2024		1.50		1.50		1.50	1.44	1.50		1.50		1.50		1.50
56042RJ52	200	19	10.61%	12	6.93%	6	3.40%	0	0.00%	-6	-3.27%	-11	-6.42%	-17	-9.44%
MAINE HEALTH & HIGHER	1.30	96.86	2.24	93.64	3.24	90.55	4.24	87.57	5.23	84.71	6.23	81.95	7.23	79.30	8.23
	07/01/2026		3.50		3.50		3.50	3.31	3.50		3.50		3.50		3.50
56042RJ29	250	4	1.50%	2	1.00%	1	0.50%	0	0.00%	-1	-0.49%	-2	-0.98%	-4	-1.46%
MAINE HEALTH & HIGHER	0.51	99.01	2.50	98.52	3.51	98.03	4.52	97.55	5.52	97.07	6.53	96.60	7.54	96.13	8.54
	07/01/2023		0.50		0.50		0.50	0.49	0.50		0.50		0.50		0.50
86666PAE8	500	47	10.54%	31	6.89%	15	3.38%	0	0.00%	-15	-3.25%	-28	-6.38%	-42	-9.39%
MARICOPA COUNTY SUN	1.71	98.64	2.11	95.38	3.11	92.24	4.11	89.23	5.10	86.33	6.10	83.54	7.10	80.85	8.09
	07/01/2026		3.50		3.50		3.50	3.28	3.50		3.50		3.50		3.50
86666PAC2	600	25	4.47%	17	2.95%	8	1.46%	0	0.00%	-8	-1.42%	-16	-2.82%	-24	-4.18%
MARICOPA COUNTY SUN	1.10	98.36	2.21	96.93	3.21	95.52	4.20	94.15	5.19	92.81	6.18	91.50	7.17	90.22	8.15
	07/01/2024		1.50		1.50		1.50	1.43	1.50		1.50		1.50		1.50

Shocked CUSIP Analysis

CUSIP	Par Value	-300		-200		-100		Base		+100		+200		+300	
		\$ Amt Δ	% Px Δ												
Description	Coupon	Mkt Px	Mkt Yld												
	Maturity		WAL		WAL		WAL	Dur	WAL		WAL		WAL		WAL
57419TDX6	265	16	6.46%	11	4.25%	5	2.10%	0	0.00%	-5	-2.04%	-10	-4.04%	-15	-5.98%
MARYLAND ST CMNTY	2.20	100.21	2.10	98.13	3.09	96.11	4.09	94.13	5.09	92.21	6.08	90.33	7.08	88.50	8.08
	03/01/2025		2.17		2.17		2.17	2.05	2.17		2.17		2.17		2.17
576004GV1	1,000	16	1.61%	11	1.07%	5	0.53%	0	0.00%	-5	-0.53%	-10	-1.05%	-15	-1.56%
MASSACHUSETTS	3.56	100.89	1.90	100.35	2.90	99.82	3.91	99.29	4.90	98.77	5.90	98.25	6.90	97.74	7.90
	07/15/2023		0.54		0.54		0.54	0.52	0.54		0.54		0.54		0.54
57604TAB2	1,000	71	7.03%	47	4.62%	23	2.28%	0	0.00%	-22	-2.22%	-44	-4.38%	-65	-6.48%
MASSACHUSETTS ST	5.20	108.14	1.75	105.71	2.75	103.34	3.74	101.04	4.74	98.80	5.74	96.62	6.74	94.50	7.74
	06/01/2025		2.42		2.42		2.42	2.24	2.42		2.42		2.42		2.42
59447TXA6	1,000	290	29.46%	131	13.31%	40	4.04%	0	0.00%	-14	-1.42%	-21	-2.14%	-27	-2.77%
MICHIGAN FIN AUTH REV	2.37	127.37	1.17	111.48	1.79	102.36	2.21	98.38	4.85	96.98	7.05	96.27	8.19	95.65	9.20
	09/01/2049		26.67		25.00		19.00	2.26	0.67		0.67		0.67		0.67
60636UJQ3	1,000	29	2.97%	19	1.96%	9	0.97%	0	0.00%	-9	-0.95%	-18	-1.89%	-27	-2.80%
MISSOURI ST	0.70	98.88	1.84	97.91	2.83	96.96	3.82	96.03	4.81	95.11	5.79	94.22	6.77	93.33	7.74
	01/01/2024		1.00		1.00		1.00	0.96	1.00		1.00		1.00		1.00
61945DAZ4	250	21	9.52%	14	6.23%	7	3.06%	0	0.00%	-7	-2.95%	-13	-5.80%	-19	-8.56%
MOSAIC DIST CMNTY DEV	1.71	98.18	2.31	95.23	3.31	92.39	4.31	89.65	5.30	87.00	6.30	84.44	7.30	81.97	8.29
	03/01/2026		3.17		3.17		3.17	2.99	3.17		3.17		3.17		3.17
64763FTY5	360	10	2.70%	6	1.78%	3	0.88%	0	0.00%	-3	-0.87%	-6	-1.72%	-9	-2.56%
NEW ORLEANS LA	5.00	102.74	1.97	101.83	2.97	100.93	3.96	100.04	4.95	99.17	5.93	98.32	6.91	97.48	7.89
	12/01/2023		0.92		0.92		0.92	0.87	0.92		0.92		0.92		0.92
64966H4M9	3,795	194	5.12%	128	3.37%	63	1.67%	0	0.00%	-62	-1.63%	-122	-3.22%	-181	-4.78%
NEW YORK N Y	5.05	104.98	2.13	103.24	3.13	101.54	4.13	99.87	5.12	98.24	6.11	96.65	7.11	95.09	8.10
	10/01/2024		1.75		1.75		1.75	1.63	1.75		1.75		1.75		1.75
64966JAP1	1,000	27	2.70%	18	1.78%	9	0.88%	0	0.00%	-9	-0.87%	-17	-1.72%	-26	-2.56%
NEW YORK N Y	5.69	103.14	2.22	102.22	3.21	101.32	4.21	100.43	5.19	99.56	6.18	98.71	7.16	97.86	8.14
	12/01/2023		0.92		0.92		0.92	0.87	0.92		0.92		0.92		0.92
64971M5K4	520	43	8.21%	28	5.39%	14	2.65%	0	0.00%	-14	-2.57%	-27	-5.06%	-39	-7.47%
NEW YORK N Y CITY	5.08	109.79	1.53	106.92	2.53	104.14	3.53	101.45	4.52	98.85	5.52	96.32	6.51	93.87	7.51
	11/01/2025		2.84		2.84		2.84	2.59	2.84		2.84		2.84		2.84
64971WDP2	700	30	4.47%	22	3.22%	12	1.78%	0	0.00%	-14	-2.09%	-30	-4.45%	-47	-6.94%
NEW YORK N Y CITY	3.78	101.41	2.45	100.20	3.69	98.80	4.21	97.08	4.81	95.05	5.55	92.75	6.40	90.34	7.33
	02/01/2026		1.09		2.50		3.00	1.90	3.09		3.09		3.09		3.09
650009S20	400	33	8.94%	22	5.86%	11	2.88%	0	0.00%	-10	-2.78%	-20	-5.48%	-30	-8.08%
NEW YORK ST TWY AUTH	2.41	101.57	1.87	98.70	2.86	95.92	3.86	93.24	4.85	90.64	5.85	88.13	6.85	85.70	7.84
	01/01/2026		3.00		3.00		3.00	2.80	3.00		3.00		3.00		3.00

Shocked CUSIP Analysis

		-300		-200		-100		Base		+100		+200		+300	
CUSIP	Par Value	\$ Amt Δ	% Px Δ												
Description	Coupon	Mkt Px	Mkt Yld												
	Maturity		WAL		WAL		WAL	Dur	WAL		WAL		WAL		WAL
6817126Z3	750	67	10.00%	44	6.54%	21	3.21%	0	0.00%	-21	-3.10%	-40	-6.08%	-60	-8.96%
OMAHA CITY	0.98	97.53	1.76	94.47	2.75	91.51	3.75	88.67	4.74	85.92	5.74	83.27	6.73	80.72	7.73
	04/15/2026		3.29		3.29		3.29	3.15	3.29		3.29		3.29		3.29
68189TBA3	615	54	8.77%	35	5.74%	17	2.82%	0	0.00%	-17	-2.73%	-33	-5.37%	-48	-7.92%
OMAHA NEB SPL OBLIG	6.40	108.25	3.55	105.24	4.56	102.34	5.56	99.53	6.57	96.81	7.57	94.19	8.58	91.65	9.59
	02/01/2026		3.09		3.09		3.09	2.70	3.09		3.09		3.09		3.09
68607LXQ5	1,000	128	12.42%	83	8.08%	41	3.95%	0	0.00%	-39	-3.77%	-76	-7.37%	-112	-10.81%
OREGON	5.89	116.02	2.08	111.55	3.08	107.28	4.08	103.20	5.07	99.31	6.07	95.59	7.07	92.04	8.07
	06/01/2027		4.42		4.42		4.42	3.84	4.42		4.42		4.42		4.42
70914PME9	1,475	133	9.07%	87	5.94%	43	2.92%	0	0.00%	-41	-2.82%	-81	-5.54%	-120	-8.17%
PENNSYLVANIA	4.65	108.22	1.93	105.11	2.93	102.12	3.92	99.22	4.92	96.43	5.92	93.72	6.91	91.11	7.91
	02/15/2026		3.13		3.13		3.13	2.82	3.13		3.13		3.13		3.13
721305CS7	385	0	0.13%	0	0.08%	0	0.04%	0	0.00%	0	-0.04%	0	-0.08%	0	-0.13%
PIKE TWP IND MET SCH	1.85	100.06	0.34	100.02	1.34	99.98	2.35	99.94	3.36	99.90	4.38	99.85	5.40	99.81	6.42
	01/15/2023		0.04		0.04		0.04	0.04	0.04		0.04		0.04		0.04
73358W4V3	1,000	15	1.50%	10	1.00%	5	0.50%	0	0.00%	-5	-0.49%	-10	-0.98%	-14	-1.46%
PORT AUTH N Y & N J	1.09	99.68	1.73	99.18	2.74	98.69	3.74	98.20	4.74	97.72	5.75	97.25	6.75	96.77	7.75
	07/01/2023		0.50		0.50		0.50	0.49	0.50		0.50		0.50		0.50
79770GJA5	455	20	4.73%	13	3.11%	7	1.54%	0	0.00%	-6	-1.51%	-13	-2.98%	-19	-4.42%
SAN FRANCISCO CALIF	1.29	98.33	2.37	96.82	3.36	95.34	4.36	93.89	5.35	92.48	6.35	91.10	7.33	89.74	8.32
	08/01/2024		1.59		1.59		1.59	1.51	1.59		1.59		1.59		1.59
798111HF0	750	80	12.10%	52	7.89%	26	3.86%	0	0.00%	-25	-3.69%	-48	-7.23%	-70	-10.62%
SAN JOAQUIN HILLS CALIF	2.15	99.19	2.36	95.47	3.36	91.90	4.36	88.49	5.36	85.22	6.36	82.09	7.36	79.09	8.35
	01/15/2027		4.04		4.04		4.04	3.73	4.04		4.04		4.04		4.04
83754LAX5	1,000	98	10.33%	64	6.76%	31	3.31%	0	0.00%	-30	-3.19%	-59	-6.26%	-87	-9.22%
SOUTH DAKOTA EDL	1.50	104.27	0.24	100.89	1.23	97.63	2.22	94.50	3.21	91.49	4.19	88.58	5.18	85.79	6.17
	06/01/2026		3.42		3.42		3.42	3.25	3.42		3.42		3.42		3.42
882669BS2	1,000	31	3.23%	20	2.13%	10	1.05%	0	0.00%	-10	-1.03%	-20	-2.05%	-29	-3.04%
TEXAS PUBLIC FINANCE	0.50	98.59	1.82	97.54	2.82	96.52	3.81	95.51	4.80	94.52	5.78	93.55	6.76	92.60	7.74
	02/01/2024		1.09		1.09		1.09	1.04	1.09		1.09		1.09		1.09
882669BR4	2,000	5	0.27%	4	0.18%	2	0.09%	0	0.00%	-2	-0.09%	-4	-0.18%	-5	-0.27%
TEXAS PUBLIC FINANCE	0.29	99.95	0.89	99.86	1.93	99.77	2.97	99.68	4.02	99.59	5.07	99.51	6.13	99.42	7.19
	02/01/2023		0.09		0.09		0.09	0.09	0.09		0.09		0.09		0.09
882874KQ2	315	24	7.35%	16	4.83%	8	2.38%	0	0.00%	-8	-2.31%	-15	-4.57%	-22	-6.75%
TEXAS WOMANS UNIV	4.00	110.52	-0.24	107.92	1.01	105.40	2.26	102.95	3.51	100.57	4.76	98.25	6.01	96.00	7.27
	07/01/2025		2.50		2.50		2.50	2.30	2.50		2.50		2.50		2.50

Shocked CUSIP Analysis

CUSIP	Par Value	-300		-200		-100		Base		+100		+200		+300	
		\$ Amt Δ	% Px Δ												
Description	Coupon	Mkt Px	Mkt Yld												
	Maturity		WAL		WAL		WAL	Dur	WAL		WAL		WAL		WAL
894673TA0	275	23	9.47%	15	6.20%	7	3.05%	0	0.00%	-7	-2.94%	-14	-5.78%	-21	-8.52%
TREDYFFRIN-EASTTOWN	1.16	97.24	2.08	94.33	3.07	91.53	4.07	88.83	5.07	86.21	6.07	83.69	7.07	81.25	8.06
	02/15/2026		3.13		3.13		3.13	2.98	3.13		3.13		3.13		3.13
91476PDR6	300	13	4.61%	10	3.47%	5	1.88%	0	0.00%	-6	-2.07%	-12	-4.23%	-18	-6.41%
UNIVERSITY OKLA REVS	3.02	99.72	3.17	98.63	3.60	97.12	4.25	95.33	5.03	93.35	5.92	91.29	6.87	89.22	7.85
	07/01/2025		2.00		2.50		2.50	1.95	2.50		2.50		2.50		2.50
927781VU5	755	37	4.89%	24	3.22%	12	1.59%	0	0.00%	-12	-1.56%	-23	-3.08%	-34	-4.57%
VIRGINIA COLLEGE BLDG	4.75	104.37	2.07	102.71	3.07	101.09	4.06	99.51	5.06	97.96	6.05	96.44	7.04	94.96	8.03
	09/01/2024		1.67		1.67		1.67	1.55	1.67		1.67		1.67		1.67
Municipal	46,590	2,838	6.28%	1,817	4.02%	877	1.94%	0	0.00%	-840	-1.86%	-1,660	-3.67%	-2,462	-5.45%
	3.00	103.04	1.77	100.85	2.79	98.83	3.76	96.95	4.77	95.15	5.78	93.39	6.77	91.67	7.76
			2.46		2.46		2.45	1.87	2.07		2.07		2.07		2.07
46640QS93	2,000	21	1.07%	14	0.71%	7	0.35%	0	0.00%	-7	-0.35%	-14	-0.70%	-20	-1.04%
JP Morgan CP	0.00	99.33	1.89	98.98	2.89	98.63	3.89	98.28	4.90	97.94	5.90	97.60	6.91	97.26	7.92
	05/09/2023		0.36		0.36		0.36	0.35	0.36		0.36		0.36		0.36
46640QVE8	1,000	18	1.85%	12	1.23%	6	0.61%	0	0.00%	-6	-0.60%	-12	-1.20%	-17	-1.78%
JP Morgan CP	0.00	98.68	2.14	98.08	3.15	97.48	4.15	96.89	5.14	96.31	6.14	95.73	7.14	95.16	8.13
	08/14/2023		0.62		0.62		0.62	0.61	0.62		0.62		0.62		0.62
46640QT68	1,000	13	1.30%	8	0.86%	4	0.43%	0	0.00%	-4	-0.42%	-8	-0.84%	-12	-1.26%
JP Morgan CP	0.00	99.63	0.87	99.20	1.87	98.77	2.87	98.35	3.87	97.93	4.87	97.52	5.88	97.11	6.88
	06/06/2023		0.43		0.43		0.43	0.43	0.43		0.43		0.43		0.43
742404AK2	1,000	15	1.50%	10	1.00%	5	0.50%	0	0.00%	-5	-0.49%	-10	-0.98%	-15	-1.46%
RNCON 4.105 07/01/23	4.11	101.39	1.32	100.88	2.33	100.38	3.33	99.89	4.33	99.40	5.33	98.92	6.33	98.44	7.33
	07/01/2023		0.50		0.50		0.50	0.48	0.50		0.50		0.50		0.50
8923A1VF5	1,000	18	1.86%	12	1.23%	6	0.61%	0	0.00%	-6	-0.60%	-12	-1.20%	-17	-1.79%
Toyota Credit de Puerto Rico	0.00	98.58	2.30	97.97	3.30	97.37	4.31	96.78	5.30	96.20	6.30	95.62	7.30	95.05	8.29
	08/15/2023		0.63		0.63		0.63	0.61	0.63		0.63		0.63		0.63
8923A1VR9	1,000	19	1.94%	12	1.28%	6	0.64%	0	0.00%	-6	-0.63%	-12	-1.25%	-18	-1.86%
Toyota Credit de Puerto Rico	0.00	98.51	2.31	97.88	3.31	97.26	4.31	96.64	5.30	96.03	6.30	95.43	7.29	94.84	8.28
	08/25/2023		0.65		0.65		0.65	0.63	0.65		0.65		0.65		0.65
89233HSR6	1,000	12	1.20%	8	0.79%	4	0.40%	0	0.00%	-4	-0.39%	-8	-0.78%	-12	-1.17%
Toyota Motor Credit	0.00	99.72	0.69	99.33	1.68	98.93	2.68	98.54	3.67	98.16	4.67	97.77	5.67	97.39	6.66
	05/25/2023		0.40		0.40		0.40	0.39	0.40		0.40		0.40		0.40
Corporate	8,000	115	1.47%	76	0.97%	38	0.48%	0	0.00%	-38	-0.48%	-75	-0.95%	-112	-1.42%
	0.51	99.40	1.67	98.91	2.67	98.43	3.67	97.96	4.67	97.49	5.67	97.02	6.67	96.56	7.67
			0.49		0.49		0.49	0.48	0.49		0.49		0.49		0.49

Shocked CUSIP Analysis

CUSIP	Par Value	-300		-200		-100		Base		+100		+200		+300	
		\$ Amt Δ	% Px Δ												
Description	Coupon	Mkt Px	Mkt Yld												
	Maturity		WAL		WAL		WAL	Dur	WAL		WAL		WAL		WAL
034577AK2	246	3	1.42%	2	0.94%	1	0.47%	0	0.00%	-1	-0.46%	-2	-0.92%	-3	-1.38%
ANEFCU 3.2 06/21/23	3.20	100.45	2.21	99.98	3.22	99.51	4.22	99.05	5.23	98.59	6.24	98.13	7.24	97.68	8.25
	06/21/2023		0.48		0.48		0.48	0.47	0.48		0.48		0.48		0.48
05580AD68	245	12	5.14%	8	3.39%	4	1.67%	0	0.00%	-4	-1.64%	-7	-3.23%	-11	-4.80%
BMW 0.65 09/17/24	0.65	97.50	2.15	95.87	3.14	94.28	4.14	92.73	5.13	91.22	6.13	89.73	7.12	88.28	8.11
	09/17/2024		1.71		1.71		1.71	1.65	1.71		1.71		1.71		1.71
130162AF7	245	5	2.16%	3	1.43%	2	0.71%	0	0.00%	-2	-0.70%	-3	-1.39%	-5	-2.06%
CALCRE 4.1 09/22/23	4.10	101.29	2.29	100.57	3.29	99.85	4.29	99.15	5.28	98.46	6.28	97.78	7.27	97.11	8.25
	09/22/2023		0.73		0.73		0.73	0.70	0.73		0.73		0.73		0.73
22551KAA0	245	11	4.60%	7	3.03%	4	1.50%	0	0.00%	-3	-1.46%	-7	-2.90%	-10	-4.30%
CRDTEX 3.2 07/22/24	3.20	101.53	2.19	100.00	3.19	98.52	4.18	97.06	5.18	95.64	6.16	94.25	7.15	92.89	8.13
	07/22/2024		1.56		1.56		1.56	1.46	1.56		1.56		1.56		1.56
24951TAU9	245	6	2.51%	5	2.20%	3	1.22%	0	0.00%	-3	-1.31%	-6	-2.65%	-10	-3.98%
DEPTCM 3 1/2 07/01/24	3.50	100.01	1.31	99.70	3.86	98.74	4.40	97.55	5.25	96.28	6.17	94.97	7.13	93.67	8.11
	07/01/2024		0.00		0.92		1.50	1.27	1.50		1.50		1.50		1.50
38149MZJ5	245	24	11.24%	16	7.34%	8	3.60%	0	0.00%	-7	-3.45%	-14	-6.77%	-21	-9.96%
GS 1.05 09/08/26	1.05	97.17	1.85	93.76	2.84	90.49	3.84	87.35	4.83	84.33	5.83	81.44	6.83	78.65	7.82
	09/08/2026		3.69		3.69		3.69	3.51	3.69		3.69		3.69		3.69
44963KAA6	245	3	1.24%	2	0.82%	1	0.41%	0	0.00%	-1	-0.41%	-2	-0.81%	-3	-1.21%
IHMISS 2.9 05/30/23	2.90	100.22	2.33	99.81	3.33	99.40	4.33	99.00	5.34	98.59	6.34	98.20	7.34	97.80	8.35
	05/30/2023		0.42		0.42		0.42	0.41	0.42		0.42		0.42		0.42
549104TM9	248	6	2.64%	4	1.74%	2	0.86%	0	0.00%	-2	-0.85%	-4	-1.68%	-6	-2.50%
LSAVBK 0.2 11/20/23	0.20	98.19	2.27	97.34	3.27	96.50	4.26	95.67	5.25	94.86	6.24	94.06	7.22	93.28	8.20
	11/20/2023		0.89		0.89		0.89	0.86	0.89		0.89		0.89		0.89
62384RAF3	249	2	0.71%	1	0.47%	1	0.24%	0	0.00%	-1	-0.24%	-1	-0.47%	-2	-0.70%
MOAFCU 3 03/27/23	3.00	100.17	2.23	99.93	3.22	99.70	4.22	99.46	5.22	99.23	6.23	99.00	7.23	98.76	8.24
	03/27/2023		0.24		0.24		0.24	0.24	0.24		0.24		0.24		0.24
70962LBA9	245	14	6.24%	9	4.11%	5	2.03%	0	0.00%	-4	-1.98%	-9	-3.91%	-13	-5.80%
PENCRD 1 1/4 01/31/25	1.25	98.24	2.13	96.26	3.13	94.34	4.13	92.46	5.13	90.63	6.13	88.85	7.13	87.11	8.13
	01/31/2025		2.08		2.08		2.08	2.00	2.08		2.08		2.08		2.08
795451AK9	245	24	11.00%	15	7.18%	8	3.52%	0	0.00%	-7	-3.38%	-14	-6.63%	-21	-9.76%
SALLMA 1.1 08/11/26	1.10	97.36	1.86	94.02	2.85	90.80	3.85	87.72	4.85	84.75	5.84	81.90	6.84	79.16	7.83
	08/11/2026		3.61		3.61		3.61	3.43	3.61		3.61		3.61		3.61
856285XL0	245	24	11.40%	16	7.44%	8	3.64%	0	0.00%	-7	-3.50%	-15	-6.85%	-22	-10.07%
SBIIN 1.15 09/28/26	1.15	97.51	1.84	94.05	2.84	90.73	3.83	87.54	4.83	84.48	5.82	81.54	6.82	78.72	7.81
	09/28/2026		3.74		3.74		3.74	3.56	3.74		3.74		3.74		3.74

Shocked CUSIP Analysis

CUSIP Description	Par Value Coupon Maturity	-300		-200		-100		Base		+100		+200		+300	
		\$ Amt Δ Mkt Px	% Px Δ Mkt Yld WAL	\$ Amt Δ Mkt Px	% Px Δ Mkt Yld WAL	\$ Amt Δ Mkt Px	% Px Δ Mkt Yld WAL	\$ Amt Δ Mkt Px Dur	% Px Δ Mkt Yld WAL	\$ Amt Δ Mkt Px	% Px Δ Mkt Yld WAL	\$ Amt Δ Mkt Px	% Px Δ Mkt Yld WAL	\$ Amt Δ Mkt Px	% Px Δ Mkt Yld WAL
87165FA20 SYF 0.65 09/17/24	245 0.65 09/17/2024	12 97.50 1.71	5.14% 2.15 1.71	8 95.87 1.71	3.39% 3.14 1.71	4 94.28 1.71	1.67% 4.14 1.71	0 92.73 1.65	0.00% 5.13 1.71	-4 91.22 1.71	-1.64% 6.13 1.71	-7 89.73 1.71	-3.23% 7.12 1.71	-11 88.28 1.71	-4.80% 8.11 1.71
89841MAA5 TRUFIN 2.95 06/29/23	245 2.95 06/29/2023	4 100.34 0.50	1.48% 2.25 0.50	2 99.85 0.50	0.98% 3.26 0.50	1 99.36 0.50	0.49% 4.27 0.50	0 98.88 0.48	0.00% 5.27 0.50	-1 98.40 0.50	-0.48% 6.28 0.50	-2 97.93 0.50	-0.96% 7.28 0.50	-3 97.46 0.50	-1.43% 8.29 0.50
91435LAG2 UNIICC 3.05 05/15/23	240 3.05 05/15/2023	3 100.27 0.38	1.11% 2.30 0.38	2 99.90 0.38	0.74% 3.31 0.38	1 99.53 0.38	0.37% 4.31 0.38	0 99.17 0.37	0.00% 5.32 0.38	-1 98.81 0.38	-0.36% 6.32 0.38	-2 98.45 0.38	-0.73% 7.33 0.38	-3 98.09 0.38	-1.08% 8.34 0.38
CD	3,678 2.13	152 99.18 1.45	4.36% 2.09 1.51	101 97.79 1.51	2.90% 3.20 1.51	50 96.40 1.55	1.44% 4.17 1.55	0 95.04 1.42	0.00% 5.16 1.55	-49 93.70 1.55	-1.41% 6.15 1.55	-97 92.40 1.55	-2.77% 7.15 1.55	-144 91.13 1.55	-4.11% 8.14 1.55
TOACASH1 CASH	18,266 4.50 01/31/2023	47 100.26 0.08	0.26% 1.40 0.08	31 100.17 0.08	0.17% 2.44 0.08	16 100.09 0.08	0.09% 3.49 0.08	0 100.00 0.09	0.00% 4.54 0.08	-16 99.91 0.08	-0.09% 5.60 0.08	-31 99.83 0.08	-0.17% 6.66 0.08	-47 99.74 0.08	-0.26% 7.72 0.08
Other	18,266 4.50	47 100.26 0.08	0.26% 1.40 0.08	31 100.17 0.08	0.17% 2.44 0.08	16 100.09 0.08	0.09% 3.49 0.08	0 100.00 0.09	0.00% 4.54 0.08	-16 99.91 0.08	-0.09% 5.60 0.08	-31 99.83 0.08	-0.17% 6.66 0.08	-47 99.74 0.08	-0.26% 7.72 0.08
Total	129,700 2.61 2	5,253 100.73 1.55	4.19% 1.72 1.61	3,507 99.38 1.61	2.80% 2.73 1.61	1,751 98.03 1.67	1.40% 3.71 1.67	0 96.68 1.39	0.00% 4.72 1.57	-1,749 95.33 1.62	-1.40% 5.70 1.62	-3,495 93.98 1.64	-2.79% 6.69 1.64	-5,226 92.65 1.65	-4.17% 7.68 1.65

Portfolio Changes

New Securities 11/2022-12/2022

CUSIP	Sector	Security Description	Maturity	Coupon	Original Face	Book Price	Intent
3134GY5N8	Treasury/Agency	FHLMC 5 1/4 06/20/24	06/20/2024	5.25	1,500,000	100.00	AFS

Partial Buy11/2022-12/2022

CUSIP	Sector	Security Description	Maturity	Coupon	Original Face	Book Price	Intent	Redemption Type
TOACASH1	Other	CASH	01/31/2023	4.50	18,266,154	100.00	AFS	Same CUSIP buys

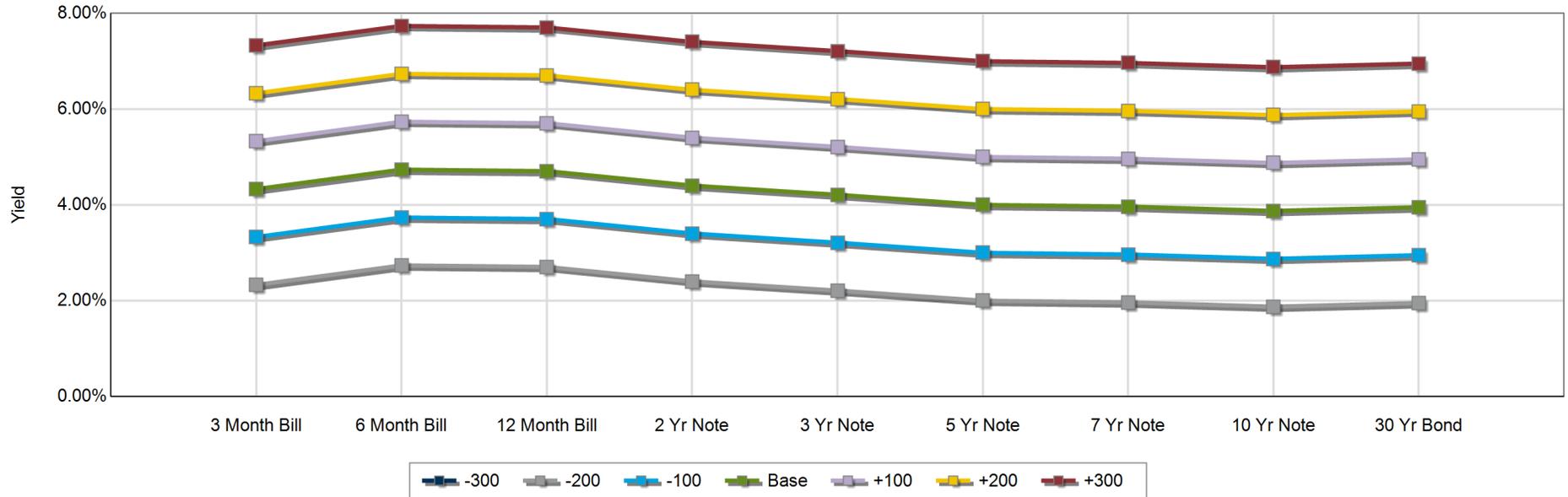
Securities Sold/Redeemed 11/2022-12/2022

CUSIP	Sector	Security Description	Maturity	Coupon	Original Face	Book Price	Intent	Redemption Type
3133EFUJ4	Treasury/Agency	FFCB 2.15 12/29/22	12/29/2022	2.15	3,000,000	100.12	HTM	Expired/Matured

Shocked Assumptions

	Scenarios						
	Down 300	Down 200	Down 100	Base	Up 100	Up 200	Up 300
Shift Amount	-300	-200	-100	0	100	200	300
Curve Slope Change	0	0	0	0	0	0	0
Shock Horizon	Immediate						
Curve Type	Static						
Valuation Date	2022-12-31	2022-12-31	2022-12-31	2022-12-31	2022-12-31	2022-12-31	2022-12-31

Yield Curve Scenarios



Report Assumptions

Assumptions

• Calculation Engine	The Yield Book © and ZM Financial
• Cash Flow Model	The Yield Book ©
• Curve Date	Same as Portfolio As Of Date
• Curve Type Used	Swap Curve
• Curve Shape	Immediate Sustained Parallel Shocks
• Price Shock Methodology	Constant OAS for fixed rate securities; immediate market shift for floating rate securities
• Horizon Period	Immediate Time Horizon
• Reinvestment Rate	3 Month T-Bill
• Cost of Funds	1.00%
• Tax Rate	21.0%

Additional Information

Rolloff Yield - Rolloff Yield is the weighted average yield of the cashflows (maturities, calls and paydowns) that roll off during the noted time period. Ending Book Yield is the weighted average yield of the remaining securities at the noted time period.

Shocked Scenarios - All shocked scenarios are instant and parallel and assume a sustained rate cycle from that point on. LIBOR OAS is held constant in order to generate shocked market scenarios and The Yieldbook was used to generate the projected cash flows. In shocked scenarios, 0.01% is considered the floor.

Bonds Likely to be Called - The page identifies all callable agencies which will either be called or mature in the next 12 months in any of the shocked scenarios. The methodology used to determine the call assumes a small internal margin to account for the "cost to call."

Municipals - For taxable institutions, the above tax rate detailed - along with TEFRA adjustments for BQs - is used to calculate TEY unless otherwise input. Ratings are a blend of Moody's and Standard & Poors.

Duration - Duration in the shocked detail section is generated by Yield Book.

Original Face - If original face was not supplied, original face was estimated by dividing current face by current factor.

Yields - All yields are Yield to Projected Scenario. (Assumes 100% of The Yield Book prepayment model).

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Council Meeting 2023

8.

Meeting Date: 02/28/2023

Department: City Secretary

AGENDA CAPTION:

Consider Action on the **Minutes from the February 13, 2023 City Council Meeting.**

BACKGROUND:

The minutes for the February 13, 2023 City Council Meeting have been prepared for consideration.

RECOMMENDATION:

Administration recommends approval.

Attachments

Minutes - February 13-2023

DRAFT

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL

February 13, 2023
5:45 p.m. Work Session
7:30 p.m. Regular Meeting

Addison TreeHouse
14681 Midway Road, Suite 200, Addison, TX 75001

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

Call Meeting to Order: Mayor Chow called the meeting to order at 5:45 PM.

Pledge of Allegiance: Mayor Chow lead the 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.** *[Joe Pack, Assistant Parks Director]*

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 presented for 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.

2. **Present and Discuss the Operations and Financial Reconciliation for Addison Oktoberfest 2022.** *[Yesenia Saldivar, Interim Special Events Director]*

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 presented a report on the marketing, operational and financial outcomes of Addison Oktoberfest 2022.

4 Year Comparison

YEARS	2018	2019	2021	2022
Admissions	18,155	43,308	32,151	38,738
Admission \$	\$78,145	\$216,549	\$222,636	\$38,738
Food & Beverage Sales	\$358,437	\$1,126,165	\$975,015	\$1,236,994
Revenue	\$575,388	\$524,597	\$707,899	\$582,623
Expenses	\$787,145	\$769,266	\$809,249	\$1,003,980

Note: 2020 Cancelled due to Covid Pandemic

3. **Present and Discuss the 2023 Special Events Preview.** *[Yesenia Saldivar, Interim Special Events Director]*

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

2023 Special Events Calendar

Events	Date(s)	Theme
Addison After Dark	April 15 August 19 October 21	Fiesta Noche Pints & Pups Harvest Hayday
Taste Addison	June 2-3	
Kaboom Town!®	July 3	
Oktoberfest	September 14-17	

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

An overview of key Airport performance measures for the first quarter of Fiscal Year 2023 (FY23), which ended on December 31, 2022 were presented. 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.

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.*

1. **Consider Action on the Minutes from the January 24, 2023 City Council Meeting.**
 2. **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.**
-

3. **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.**
4. **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.**
5. **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.**
6. **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.**

Mayor Chow called for a motion to remove any item from the Consent Agenda to discuss separately. There were no requests therefore Mayor Chow called for a motion.

MOTION: Deputy Mayor Pro-Tempore Ward moved to approve Consent Agenda Items 5-10 as presented. Council Member Braun seconded the motion. Motion carried unanimously.

Resolution No. R23-11: Moore Iacofano Goltsman, Inc. (MIG) Beltway Drive Trail Project

Resolution No. R23-12: AQRD Hangar Mgmt. LLC 4582/4584 Clair Chennault Dr. Lease

Resolution No. R23-13: Jani-King Intl, Inc. Lease 4572 Claire Chennault Dr., terminate Lease 4570 Clair Chennault Dr.

Resolution No. R23-14: Jacobs Engineering Group, Inc. Keller Springs Reconstruction Project

Resolution No. R23-15: Kleen Pipe Inc. Celestial Place Stormwater Piping

Regular Items

11. **Present, Discuss, and Consider Action on Acceptance of the Fiscal Year 2022 Annual Comprehensive Financial Report (ACFR).** *[Steven Glickman, Chief Financial Officer]*

The Addison Town Charter requires 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 Director & Lead Audit Engagement Executive Rachel Ormsby, CPA presented the audit report and 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.

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.** *[Ken Schmidt, Development Services Director]*

MOTION: Council Member Gardner moved to Postpone Items 12-16 until the February 28 Council meeting. Council Member Resnik seconded the motion. Motion failed with 2 to 5 votes with Mayor Chow, Mayor Pro-Tempore Wheeler, Deputy Mayor Pro-Tempore Ward, Council Member Braun, Council Member Quintanilla voting Against.

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.

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.
- October 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.
- April 2021, an RFP was released to the development community.
- 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.

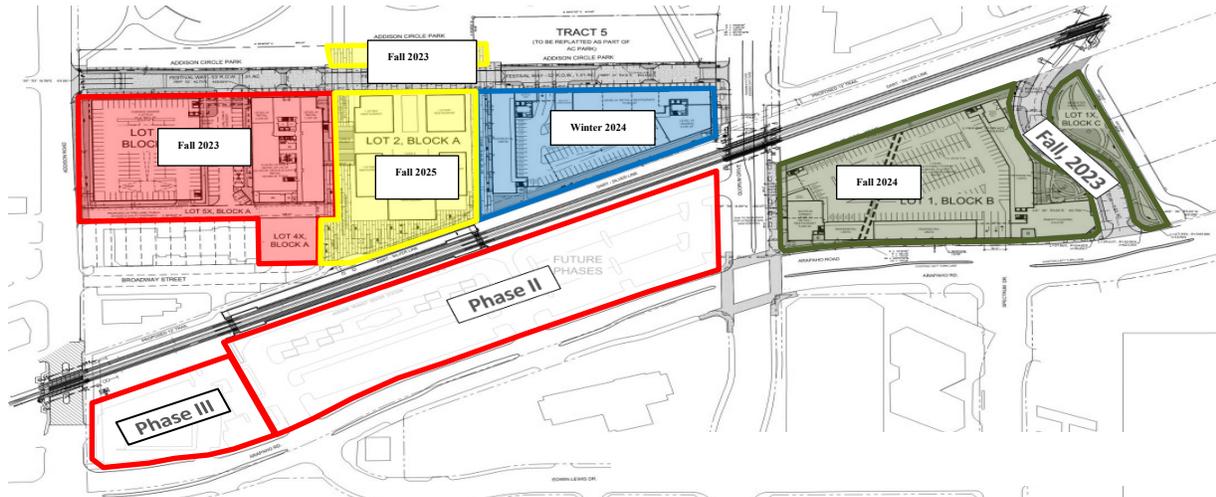
At its March 22, 2022, meeting, the City Council made a motion to advance the development team of AMLI Residential and Stream Realty Partners (Co-Developers) as the lone finalist to become the master developer for the Town's transit-oriented development project in the Addison Circle area, subject to 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 Phasing Plan – Case 1860-Z TOD PD Rezoning



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 clad 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 curb less 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.

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 Codevelopers 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.

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 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.

Public Hearing: Co-developers AMLI Residential Taylor Bowen and Stream Realty Partners Representative Brad Dornak presented information and answered questions regarding project.

Speaking Against: Mike O’Neal, 5021 Morris Avenue; Marvin Perez, 1140 Towne Lake Circle; Dave Collins, 14668 Wayside Court. Comments - Postpone vote until after community meeting of February 15th, traffic problems, bad optics to move forward with citizens’ concerns prior to community meeting expressed by citizens.

Speaking For: Paul Walden, 11806 Le Grande Dr.; Sue Halpern, 14800 Le Grande Dr. Comments – both former council members spoke of this 30-year process, dislike of disinformation, project good for Addison.

There being no further discussion, Mayor Chow called for a motion.

MOTION: Council Member Resnik moved to approve Item #12. Mayor Pro-Tempore Wheeler seconded the motion. Motion carried unanimously.

Ordinance No. O23-8: 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. *[Ken Schmidt, Development Services Director]*

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.

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.

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.

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.

Public Hearing: No citizens requested to speak on this agenda item.

MOTION: Deputy Mayor Pro-Tempore Ward moved to approve Item #13. Council Member Braun seconded the motion. Motion carried unanimously.

Ordinance No. O23-9: 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, Lot3, Block A, Addison Circle Station – Phase I.** [Ken Schmidt, Development Services Director]

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.

Public Hearing: No citizens requested to speak on this agenda item.

MOTION: Mayor Pro-Tempore Wheeler moved to approve Item #14. Council Member Resnik seconded the motion. Motion carried unanimously.

Ordinance No. O23-10: Case 1874-Z/Multifamily Tower, Lot3, 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. [Ken Schmidt, Development Services Director]

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.

Public Hearing: No citizens requested to speak on this agenda item.

MOTION: Council Member Braun moved to approve Item #15. Council Member Quintanilla seconded the motion. Motion carried unanimously.

Ordinance No. O23-11: 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.** [Ken Schmidt, Development Services Director]

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.
- Require 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.

Public Hearing: No citizens requested to speak on this agenda item.

MOTION: Council Member Gardner moved to approve Item #16. Deputy Mayor Pro-Tempore Ward seconded the motion. Motion carried unanimously.

Ordinance No. O23-12: Case 1873-Z/Retail Node, Lot 2, Block A, Addison Circle Station – Phase I.

Adjourn Meeting

There being no further business to come before the City Council the meeting was closed at 9:50 PM.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma G. Parker, City Secretary

Council Meeting 2023

9.

Meeting Date: 02/28/2023

Department: Development Services

AGENDA CAPTION:

Consider Action on a **Resolution Approving a Developer's Agreement Between the Town of Addison and COG Dallas Homes III, LLC for the Addison Reserve Townhomes Development Project and Authorizing the City Manager to Execute the Developer's Agreement**.

BACKGROUND:

At its March 8, 2022 meeting, the City Council approved a residential Planned Development (PD) zoning district for a project comprising thirty-one (31) townhomes and other public and private improvements on a 1.804 acre property located at 4150 Beltway Drive. The PD Ordinance (Ordinance No. O22-8) required that the Developer and Town execute an agreement concerning the development of the property, to include the disposition of temporary fencing, and the future dedication of certain streets and other improvements for the benefit and use of the general public. The attached Developer's Agreement memorializes these terms and conditions for execution by the Town and Developer.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution - Cobalt Homes Developer's Agreement

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING A DEVELOPER’S AGREEMENT BETWEEN THE TOWN OF ADDISON AND COG DALLAS HOMES III, LLC FOR THE ADDISON RESERVE TOWNHOMES DEVELOPMENT PROJECT; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, COG Dallas Homes III, LLC (“Developer”) is the owner of that certain real property located in the Town of Addison, Texas (herein the “Town”) consisting of 1.804 acres of land being described as Tract 1 of A-Motel, an Addition to the Town, according to the plat thereof recorded in Volume 79219, Page 181, Deed Records, Dallas County, Texas (the “Property”); and

WHEREAS, Developer intends to construct a residential planned development on the Property consisting of thirty-one (31) townhomes and other public and private improvements in conformance with Town Ordinance O22-8, as approved and adopted by the City Council on March 8, 2022 (the “PD Ordinance”), and in conformance with this Agreement; and

WHEREAS, the PD Ordinance requires that the Developer and Town execute an agreement concerning the development of the Property and the future dedication of certain streets and other improvements for the benefit and use of the general public (the “Developer’s Agreement”), a copy of which is attached hereto as **Exhibit A**.

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

SECTION 1. The City Council hereby approves the Developer’s Agreement between the Town of Addison and COG Dallas Homes III, LLC for the Addison Reserve Townhomes Development Project, a copy of which is attached to this Resolution as **Exhibit A**. The City Manager is hereby authorized to execute the same.

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 **28th** day of **FEBRUARY 2023**.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma Parker, City Secretary

EXHIBIT A

After Recording, Return to:
Office of City Secretary
Town of Addison, Texas
P.O. Box 9010
Addison, Texas 75001

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

DEVELOPER’S AGREEMENT

This Developer’s Agreement (“Agreement”) is made as of the Effective Date by and among the Town of Addison, a Texas home rule municipality (the “Town”) COG Dallas Homes III, LLC, a Texas limited liability company (the “Developer”), acting by and through their duly authorized representatives.

RECITALS:

WHEREAS, Developer is the owner of that certain real property located in Addison, Texas consisting of 1.804 acres of land being described as Tract 1 of A-Motel, an Addition to the Town of Addison, according to the plat thereof recorded in Volume 79219, Page 181, Deed Records, Dallas County, Texas, as more particularly described on Exhibit A attached hereto and incorporated herein by reference (the “Property”); and

WHEREAS, Developer intends to construct a residential planned development on the Property consisting of thirty-one (31) townhomes and other public and private improvements in conformance with Town Ordinance O22-8 (Planning and Zoning Commission Case No. 1846-Z), as approved and adopted by the City Council on March 8, 2022 (the “PD Ordinance”), and in conformance with this Agreement; and

WHEREAS, in conformance with the PD Ordinance, Developer and Town desire to memorialize the understanding and agreements of the parties regarding the development of the Property and the future dedication of the Street Improvements (defined herein) for the benefit and use of the general public.

NOW THEREFORE, for and in consideration of the mutual covenants herein contained, and for other valuable and good consideration, the sufficiency and receipt of which are hereby expressly acknowledged and confirmed by the parties, the Town and Developer hereby agree as follows:

Article I
Term

The term of this Agreement shall commence on the Effective Date and shall continue until the earlier of: (a) the date the Town has accepted the Street Improvements and filed an executed

release of this Agreement in the real property records of Dallas County, Texas; or (b) the date this Agreement is earlier terminated as expressly provided herein.

Article II Definitions

Wherever used in this Agreement and unless the context clearly indicates otherwise, the following terms shall have the following meanings:

“*Applicable Law*” shall mean all local, state, and federal laws, including the Town’s zoning ordinance, subdivision ordinance, and building codes, together with all other Town codes, ordinances, and regulations applicable to the subject matter of this Agreement.

“*Building Permit*” shall mean the required development rights granted by the Town to the Developer for the commencement of construction of the Improvements.

“*Certificate of Occupancy*” shall mean a certificate issued by the Building Official of the Town following application by the Developer and completion of final inspection by the Town for conformance with the Town’s Code of Ordinances, to include building regulations and the fire code, and the Development Plans for the Project.

“*City Manager*” shall mean the Town of Addison City Manager, or their designee.

“*Commencement of Construction*” shall mean: (i) Development Plans for Project have been prepared and approved by all governing authorities; (ii) all necessary Town approvals for the commencement of site work have been issued; and (iii) site preparation necessary for the construction of the Project, as applicable, has commenced.

“*Completion of Construction*” shall mean: (i) the Project has been substantially completed in accordance with the Development Plans; and (ii) the final inspections (as the term is generally used within the industry) have been performed and completed by Developer and Town; and (iii) a final certificate of occupancy has been issued for all thirty-one (31) townhomes. For the avoidance of doubt, Completion of Construction shall mean the Street Improvements have been completed in conformance with the Development Plans and the Town’s requirements for future dedication of the same in conformance with this Agreement.

“*Developer*” shall, as applicable herein, be interpreted to include the HOA, whether the context indicates inclusion of the HOA jointly or as successor in interest of Developer.

“*Development Plans*” means the completed plans and specifications for the construction of the Improvements (inclusive of any changes thereto) which have been approved by the Town, including without limitation, the regulations contained in the PD Ordinance, Ordinance O22-39, as approved and adopted by the City Council on October 11, 2022, and the Project Site Plan attached hereto and incorporated herein as **Exhibit B**.

“*Director*” shall mean the Town’s Director of Development Services, or their designee.

“*Effective Date*” shall mean the last date of execution of this Agreement.

“*Force Majeure*” shall mean any cause beyond the party’s respective control or because of applicable law, including, but not limited to, war, nuclear disaster, labor strikes, acts of God, fire, flood, riot, a government restriction, quarantine, or mandatory closure order enacted in response to a pandemic or other public health crises, or any other circumstance for which a party is not legally responsible or which is not reasonably within its power to control (each an event of “*Force Majeure*”). The party asserting Force Majeure 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 has the burden of demonstrating (i) how and why their performance was so prevented, (ii) 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 (iii) that the party used reasonable efforts to mitigate and/or eliminate such prevention and resumed performance under this Agreement as soon as reasonably practicable.

“*Future Street Access*” shall mean the creation of additional access to the Street Improvements in conformance with Section 3.3 of this Agreement by either (i) providing public access along the private street currently depicted on the Site Plans as “One Reserve Street” to the south in the event of future residential development providing public access to Beltway Drive, or (ii) providing public and/or private access to the private street currently depicted as “Three Reserve Street” on the Site Plan, which may include residential driveways and public and/or private streets.

“*HOA*” shall mean the property owners’ association anticipated to be created by Developer in connection with the Project.

“*Improvements*” means, in general, any and all buildings, structures, utility installations, paving, grading, landscaping and other improvements to the Property.

“*PD Ordinance*” shall have the meaning set forth in the recitals to this Agreement.

“*Property*” shall have the meaning set forth in the recitals to this Agreement.

“*Project*” shall mean the development of the Property for residential use in conformance with the Development Plans and Applicable Law, including, without limitation, thirty-one (31) townhome lots, open space, and common area lots, and the Street Improvements.

“*Site Improvements*” shall mean the clearing, grading, landscaping, and all other site work necessary to prepare the Property for construction of the buildings and other vertical structures for the Project in conformance with the Development Plans.

“*Street Improvements*” shall mean the private street and streetscape Improvements to be constructed in conformance with the Development Plans and as set forth herein.

“*Temporary Fencing*” shall mean the temporary fencing and access gates identified in the Site Plans to be constructed by Developer in conformance with the PD Ordinance.

Article III Developer Obligations

3.1 Issuance of Building Permit; Conditions Precedent. Except as otherwise provided in this Agreement or under Applicable Law, the Town shall not be obligated to issue a Building Permit for construction of any Project Improvements until the following conditions precedent to issuance have been satisfied by Developer:

- (a) Developer shall submit the final Development Plans to the Town and obtain written approval of the same from the Director.
- (b) Developer shall deliver to the Director written confirmation that the 24’ access and utility easement (as recorded in the Dallas County Real Property Records on February 1, 1993, Volume 93020, Page 3255) encumbering the eastern, southern, and western boundaries of the Property has been fully released and abandoned, and that title to the Street Improvements is free and clear of the same. It is the intent of the parties that the Street Improvements will be and remain free and clear of any encumbrance that would interfere with or prevent the dedication of any portion of the Street Improvements upon the Town’s request in conformance with this Agreement.
- (c) Developer shall ensure that no portion of the existing masonry wall along Beltway Drive (the “Existing Wall”) is materially altered or removed prior to issuance of all Building Permits necessary for the Site Improvements. Further, except for the removal of the portion of the Existing Wall that allows for the connection of One Reserve Street to Beltway Drive, in no event will any other portion(s) of the Existing Wall be removed until construction has begun on the townhomes immediately adjacent to the portion(s) of the Existing Wall to be removed. In the event the Existing Wall is damaged or destroyed due to unforeseen circumstances (such as a natural disaster or other casualty not within Developer’s control), Developer will promptly notify Town in writing and the parties will develop a plan to provide substantially equivalent screening until such time as all remaining Building Permits necessary for construction of the Project have been issued.

3.2 Street Improvements. The Street Improvements are to be designed, constructed, and installed by the Developer in strict conformance with Applicable Law, and as depicted in the Development Plans. Notwithstanding, Developer and/or the HOA (as applicable), shall be solely responsible for all costs and expenses for the construction, operation, and maintenance (subject to the following sentence) of the Street Improvements, together with all street signs and markings

located within the Property. Developer's maintenance obligations with respect to the Street Improvements will terminate if and when the same are dedicated to the Town, and the Town has inspected and accepted the same.

3.3 Dedication of the Street Improvements. It is the express intent of the parties that Town is herein granted the right, but not the obligation, to require Developer to dedicate to Town the one or more public rights-of-way for all or a portion of the Street Improvements during the term of this Agreement (the "Dedication Rights"). The Town may exercise its Dedication Rights at any time (i) in connection with the removal of the Temporary Fencing pursuant to Section 3.4, below, or (ii) to provide Future Street Access. To exercise its Dedication Rights, the Town shall provide written notice to Developer of its intent to exercise its Dedication Rights, including a general description of the Street Improvements, or portion(s) thereof, which the Town intends to acquire. Developer shall promptly respond to the Town's request and agrees that it will dedicate the portion of the Street Improvements identified in the Town's request by plat or separate recordable instrument in a form approved by the Town (as determined in the Town's sole discretion), which shall be recorded in the Dallas County Real Property Records. Unless otherwise agreed by the parties in writing, Developer shall deliver the recordable instrument within sixty (60) days from the date of Town's written notice. For the avoidance of doubt, Developer's removal of the Temporary Fencing in conformance with this Agreement (at Developer's sole cost) shall be a condition precedent to the Town's acceptance of any dedication of the Street Improvements. Further, neither Developer, or an affiliate thereof, shall have the right to dedicate any portion of the Street Improvements to public without the Town's written consent, which may be withheld for any or no reason in the Town's sole discretion.

3.4 Temporary Fencing: Removal.

- (a) The Town shall have the right to require the Temporary Fencing be removed, in whole or in part, at Developer's sole cost and expense at any time during the term of this Agreement by providing ninety (90) days written notice to Developer at any time during the term of this Agreement following Completion of Construction of the Project. In the event an HOA is created prior to removal of the Temporary Fencing and the HOA is conveyed or acquires any rights or obligations with respect to the maintenance of the Temporary Fencing, the Developer shall provide written evidence of the allocation of current funding to the HOA in an amount sufficient to maintain and remove the Temporary Fencing in its entirety for the anticipated duration of the HOA's responsibility for the same.
- (b) Notwithstanding any other provision to the contrary in this Agreement, Developer (or the HOA, if the obligation has been assigned pursuant to subsection (a) above) shall, at its sole cost and expense, cause all Temporary Fencing to be removed on or before the tenth (10th) anniversary of the date the initial final plat for this subdivision is filed in the Dallas County Real Property Records. Town may, but shall not be obligated to, enter into a written agreement with Developer (or the HOA, as applicable) for a mutually agreeable alternative to removal.
- (c) Prior to issuance of a Certificate of Occupancy for the townhomes, Developer

and/or the HOA shall install signage within the interior common areas of the Property in such locations as the Town determines reasonably sufficient to clearly notify all future residents of the future removal the Temporary Fencing contemplated in this Agreement. The design, quantity, and location of this signage shall be reasonably approved by the Director prior to posting. This signage shall remain in place and be maintained by the Developer and/or the HOA until the Temporary Fencing is removed in its entirety.

3.5 Additional Rights of Access Granted by Developer. Developer acknowledges and agrees that Future Street Access into the Project from adjacent properties may occur upon removal of the Temporary Fencing.

3.6 HOA Governing Documents. Upon creation of an HOA in connection with the Project, the covenants and obligations of Developer set forth in this Agreement shall become binding upon the HOA and shall be incorporated into the governing documents of the HOA. Further, the governing documents of the HOA shall not contain any provisions in conflict with this Agreement or the PD ordinance.

Article IV Indemnification

THE DEVELOPER AGREES TO RELEASE, INDEMNIFY, DEFEND AND HOLD HARMLESS THE TOWN, ITS OFFICERS, AGENTS, EMPLOYEES, AND THIRD PARTY REPRESENTATIVES FROM ANY AND ALL CLAIMS, DAMAGES, CAUSES OF ACTION OF ANY KIND WHATSOEVER, STATUTORY OR OTHERWISE, PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE, LAWSUITS AND JUDGMENTS, INCLUDING COURT COSTS, EXPENSES AND REASONABLE ATTORNEYS' FEES, AND ALL OTHER REASONABLE EXPENSES ARISING DIRECTLY OR INDIRECTLY FROM THE PERFORMANCE OF THIS AGREEMENT BY THE DEVELOPER, ITS OFFICERS, DIRECTORS, PARTNERS, EMPLOYEES, AGENTS, AND CONTRACTORS, OR ANY INTENTIONAL OR NEGLIGENT ACT OR OMISSION OF THE DEVELOPER, ITS OFFICERS, DIRECTORS, PARTNERS, EMPLOYEES, AGENTS, AND CONTRACTORS, EXCLUDING ANY WILLFUL MISCONDUCT OR NEGLIGENT ACT OR OMISSION OF THE TOWN, ITS OFFICERS, AGENTS, EMPLOYEES AND THIRD PARTY REPRESENTATIVE (AS DETERMINED BY A COURT OR OTHER FORUM OF COMPETENT JURISDICTION). THE TOWN AGREES TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING ANY DEFENSE, INCLUDING SPECIFICALLY ASSERTION OF GOVERNMENTAL IMMUNITY AND SOVEREIGN IMMUNITY TO THE FULLEST EXTENT UNDER APPLICABLE LAW. THE PROVISIONS OF THIS ARTICLE IV ARE SOLELY FOR THE BENEFIT OF THE PARTIES TO THIS AGREEMENT AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. NOTWITHSTANDING THE FOREGOING, DEVELOPER SHALL BE RELEASED UPON THE ASSIGNMENT OF THIS AGREEMENT TO ANY PERMITTED ASSIGNEE FOR CLAIMS ARISING SUBSEQUENT TO THE ASSIGNMENT TO SUCH ASSIGNEE, AND THE CITY SHALL SEEK INDEMNIFICATION UNDER THIS ARTICLE IV FROM SUCH ASSIGNEE. THIS ARTICLE IV SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

Article V
Liability for Plan Approval

5.1 Approval of Development Plans. No approval of designs, plans, and specifications by the Town shall be construed as representing or implying that improvements built in accordance therewith shall be free of defects, and any such approvals shall in no event be construed as representing or guaranteeing any improvements built in accordance therewith will be designed or built in a good and workmanlike manner. Neither the Town nor its elected officials, officers, employees, contractors, and/or agents shall be responsible or liable in damages or otherwise to anyone submitting plans and specifications for approval by the Town for any defects in any plans or specifications submitted, revised, or approved, any loss or damages to any person arising out of approval or disapproval or failure to approve or disapprove any plans or specifications, any loss or damage arising from the noncompliance of such plans or specifications with any governmental ordinance or regulation, nor any defects in construction undertaken pursuant to such plans and specifications.

5.2 Indemnity Against Design Defects. Approval by the Director or other Town employee, officer, or consultant of any plans, designs or specifications submitted by the Developer under this Agreement shall not constitute or be deemed to be a release of the responsibility and liability of the Developer, its engineers, contractors, employees, officers, or agents for the accuracy and competency of their design and specifications. Such approval shall not be deemed to be an assumption of such responsibility or liability by the Town for any defect in the design and specifications prepared by the Developer's consulting engineer, his officers, agents, servants, or employees, it being the intent of the parties that approval by the Director or other Town employee, officer or consultant signifies the Town approval of only the general design concept of the improvements to be constructed. IN THIS CONNECTION, THE DEVELOPER SHALL INDEMNIFY AND HOLD HARMLESS THE TOWN, ITS OFFICIALS, OFFICERS, AGENTS, AND EMPLOYEES, AFTER THE WRITTEN APPROVAL AND ACCEPTANCE OF THE PUBLIC IMPROVEMENTS BY THE TOWN FROM ANY LOSS, DAMAGE, LIABILITY OR EXPENSE ON ACCOUNT OF DAMAGE TO PROPERTY AND INJURIES, INCLUDING DEATH, TO ANY AND ALL PERSONS WHICH MAY ARISE OUT OF ANY DEFECT, DEFICIENCY OR NEGLIGENCE OF THE ENGINEER DESIGNS AND SPECIFICATIONS TO THE EXTENT PREPARED OR CAUSED TO BE PREPARED BY DEVELOPER AND INCORPORATED INTO ANY IMPROVEMENTS CONSTRUCTED IN ACCORDANCE THEREWITH, AND THE DEVELOPER SHALL DEFEND AT THE DEVELOPER'S OWN EXPENSE ANY SUITS OR OTHER PROCEEDINGS BROUGHT AGAINST THE TOWN, ITS OFFICERS, AGENTS, EMPLOYEES, OR ANY OF THEM, ON ACCOUNT THEREOF, TO PAY ALL REASONABLE EXPENSES AND SATISFY ALL JUDGMENTS WHICH MAY BE INCURRED BY OR RENDERED AGAINST THEM, COLLECTIVELY OR INDIVIDUALLY, PERSONALLY OR IN THEIR OFFICIAL CAPACITY, IN CONNECTION HEREWITH. THE PROVISIONS OF THIS SECTION 5.2 ARE SOLELY FOR THE BENEFIT OF THE PARTIES TO THIS AGREEMENT AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY.

Article VI

Termination

This Agreement may be terminated by mutual agreement by the parties and recorded in the Official Public Records of Dallas County, Texas.

Article VII Miscellaneous

7.1 Release. Upon the full and final satisfaction by the Developer of its obligations contained in Article III of this Agreement, the City Manager shall, within ten (10) business days following request by Developer, execute and record in the Official Public Records of Dallas County a release of the Developer from its obligations set forth herein.

7.2 Notice. 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, (iii) by UPS, FedEx or other nationally recognized carrier to be delivered on the next business day, or (iv) by email of a PDF copy of the same. 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, (c) on the next business day after the day the notice or document is provided to UPS, FedEx or other nationally recognized carrier to be delivered as set forth above, or (d) 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. Addresses for the delivery or giving of any such notice or documents are as set forth on the signature page to this Agreement.

7.3 Successors and Assigns. All obligations and covenants of the Developer under this Agreement shall be binding on the Developer, its successors and permitted assigns. The Developer may not assign this Agreement without the prior written consent of the City Manager, not to be unreasonably withheld, conditioned, or delayed.

7.4 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision is not a part hereof, and the remaining provisions hereof shall remain in full force and effect. In lieu of any illegal, invalid, or unenforceable provision herein, the parties shall seek to negotiate a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

7.5 Governing Law. The validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the parties, shall be governed by the laws of the State of Texas; and exclusive venue for any action concerning this Agreement shall be in State District Court of Dallas County, Texas. The parties agree to submit to the personal and subject matter jurisdiction of said court.

7.6 Entire Agreement. This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written, previous and contemporary agreements between the parties relating to the matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties to be attached to and made a part of this Agreement.

7.7 Recordation of Agreement. A copy of this Agreement shall be recorded in the Official Public Records of Dallas County, Texas.

7.8 Covenants Run with Property. The provisions of this Agreement are hereby declared covenants running with the Property and are fully binding on the Developer and each and every subsequent owner of all or any portion of the Property (including any HOA) but only during the term of such party's ownership thereof (except with respect to defaults that occur during the term of such entity and or individual's ownership) and shall be binding on all successors and assigns of the Developer which acquire any right, title, or interest in or to the Property, or any part thereof. Any entity or individual which acquires any right, title, or interest in or to the Property, or any part hereof, covenants to abide by and fully perform the provisions of this Agreement with respect to the right, title, or interest in the Property.

7.9 Recitals: Exhibits. The recitals and exhibits to this Agreement are incorporated herein.

7.10 No Waiver. The failure of either party to enforce any provision or condition contained in this Agreement at any time will not be construed as a waiver of that condition or provision nor will it operate as a forfeiture of any right of future enforcement of the condition or provisions.

7.11 No Third-Party Beneficiaries. This Agreement and each of its provisions are solely for the benefit of the parties hereto and are not intended to create or grant any rights, contractual or otherwise, to any third person or entity.

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

7.13 Further Acts. The Town and the Developer agree to execute such additional documents as may be reasonably requested by either party in order to implement the transactions reflected by this Agreement.

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

SIGNED AND AGREED this ____ day of _____, 2023.

TOWN OF ADDISON, TEXAS

By: _____
David Gaines, City Manager

ATTEST

Irma Parker, City Secretary

APPROVED AS TO FORM:

Whitt L. Wyatt, City Attorney

Town Acknowledgment

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

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

Notary Public, State of Texas

My Commission Expires: _____

SIGNED AND AGREED this ____ day of _____, 2023.

COG Dallas Homes III, LLC, a Texas limited liability company

By: _____, its

By: _____

Name: _____

Title: _____

Developer Acknowledgment

STATE OF TEXAS §

§

COUNTY OF DALLAS §

This instrument was acknowledged before me on the ____ day of _____, 2023, by _____, _____ of COG Dallas Homes III, LLC, a Texas limited liability company, on behalf of said limited liability company

Notary Public, State of Texas

My Commission Expires: _____

EXHIBIT "A"
LEGAL DESCRIPTION OF THE PROPERTY

BEING Tract 1 of A-Motel, an Addition to the Town of Addison, according to the plat thereof recorded in Volume 79219, Page 181, Deed Records, Dallas County, Texas, same being that tract of land conveyed to Dillon Investments, LLC, a Texas limited liability company, by deed recorded in Instrument No. 201300008151, Official Public Records, Dallas County, Texas, and being described by metes and bounds:

BEGINNING at a "X" cut in concrete found for corner, said corner being in the South right-of-Way line of Beltway Drive (a 60 foot Right-of-Way), same being a Northwest corner of Lot 1, Block 1, of Midway Square Addition, an addition to the City of Addison, Dallas County, Texas, according to the plat thereof recorded in Volume 93252, Page 3095, Plat Records, Dallas County, Texas, from which a "X" found in concrete for reference bears North 66 degrees 10 minutes 278 seconds West, a distance of 0.35 feet;

THENCE South, along a West line of said Lot 1, a distance of 242.62 feet to a "X" cut in concrete found for corner;

THENCE West, along a North line of said Lot 1, passing at a distance of 338.75 feet to a 1/2 inch iron rod found for reference at a Northeast corner of Towne Lake, an addition to the City of Addison, Dallas County, Texas, according to the plat thereof recorded in Volume 97003, Page 1033, Plat Records, Dallas County, Texas, and continuing a total distance of 385.00 feet to an "X" cut set in concrete found for corner;

THENCE North, along an East line of said Towne Lake, a distance of 151.29 feet to an "X" cut in concrete set for corner, said corner being in the South Right-of-Way line of said Beltway Drive, being the beginning of a non-tangent curve turning to the left, with a radius of 1005.00 feet, a delta angle of 04 degrees 17 minutes 07 seconds, a chord bearing of North 74 degrees 38 minutes 33 seconds East, and a chord length of 75.15 feet;

THENCE along said curve to the left, along the South Right-of-Way line of said Beltway Drive, an arc length of 75.17 feet to a 5/8 iron rod found for corner;

THENCE North 72 degrees 30 minutes 00 seconds East, along the South Right-of-Way line of said Beltway Drive, a distance of 100.00 feet to a 5/8 inch iron rod found for corner, same being the beginning of a tangent curve turning to the right, with a radius of 945.00 feet, a delta angle of 13 degrees 26 minutes 04 seconds, a chord bearing of North 79 degrees 13 minutes 00 seconds East, and a chord length of 221.07 feet;

THENCE along said curve to the right, along the South Right-of-Way line of said Beltway Drive, an arc length of 221.58 feet to the POINT OF BEGINNING and containing 78,564 square feet or 1.80 acres of land.

EXHIBIT "A" TO DEVELOPER'S AGREEMENT

Council Meeting 2023

10.

Meeting Date: 02/28/2023

Department: Finance

Pillars: Excellence in Transportation Systems
Gold Standard in Financial Health

Milestones: Promote Silver Line Development
Continue development and implementation of Long Term Financial Plan

AGENDA CAPTION:

Consider Action on a **Resolution for an Interlocal Agreement with Dallas Area Rapid Transit for Public Transportation Improvements and Authorize the City Manager to Execute the Agreement.**

BACKGROUND:

On September 27, 2022, the Board of Directors (Board) of Dallas Area Rapid Transit (DART) approved DART's Fiscal Year (FY) 2023 budget, which included \$214.3 million in distributions of DART revenue to the Service Area Cities. Additionally, on October 25, 2022, the DART Board accepted \$19.7 million from the Regional Transportation Council (RTC) and the North Central Texas Council of Governments (NCTCOG). This additional funding allowed DART to maximize the benefits to each Service Area City by distributing the most advantageous allocation, whether sales tax or population. The Town of Addison's allocation of \$4.411 million was calculated based on sales taxes collected in Fiscal Years 2021 and 2022.

On November 15, 2022, the DART Board approved an interlocal agreement (ILA) with DART Service Area Cities for allocation of funds for public transportation improvements. The ILA includes information regarding Addison's obligations, project eligibility, and terms for accepting the funding.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution - DART ILA

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERLOCAL AGREEMENT WITH DALLAS AREA RAPID TRANSIT ALLOWING ADDISON PARTICIPATION IN FUNDING FOR PUBLIC TRANSPORTATION SYSTEM OR COMPLIMENTARY TRANSPORTATION SERVICES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Dallas Area Rapid Transit (“DART”) Board of Directors directed the DART President & Chief Executive Officer to include \$214,250,000 in the Fiscal Year 2023 Budget for allocation to DART’s service area cities for Public Transportation System or Complimentary Transportation Service purposes; and

WHEREAS, the Regional Transportation Council will program \$19,674,000 in federal funds to DART, which will allow DART to make an additional \$19,674,000 in local funds available to DART’s service area cities, for a total of \$233,924,000.00 (the “Funds”); and

WHEREAS, each DART service area city is entitled to a receive a portion of the total local funds available to the service area cities, subject to the conditions contained in the Interlocal Agreement, attached to and made a part of this Resolution as Exhibit “A”; and

WHEREAS, the Town of Addison is a DART service area city that is entitled to receive \$4,411,000 in Funds if it uses such Funds to complete projects in accordance with the terms of the Interlocal Agreement; and

WHEREAS, in consideration of these promises, Town staff recommends that it is in the best interest of the Town of Addison to enter into the Interlocal Agreement with DART or such Interlocal Agreement with DART negotiated by the City Manager within the parameters discussed below.

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

SECTION 1. The City Manager is hereby authorized to either: (1) execute the attached Interlocal Agreement (**Exhibit A**) with DART for the funding of Public Transportation System or Complimentary Transportation Services projects; or (2) negotiate changes to the Interlocal Agreement with DART and execute a revised Interlocal Agreement reflecting those negotiations as long as the amount allocated to the City remains the same or increases and the definition of Eligible Projects remains the same or broadens.

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 **28th** day of **FEBRUARY**, 2023.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma Parker, City Secretary

EXHIBIT A

FORM OF
INTERLOCAL AGREEMENT
between
DALLAS AREA RAPID TRANSIT and
TOWN OF ADDISON for
PUBLIC TRANSPORTATION IMPROVEMENTS

This Interlocal Agreement (“Agreement”) is made and entered into by and between DALLAS AREA RAPID TRANSIT (“DART”), a regional transportation authority organized and existing pursuant to Chapter 452 of the Texas Transportation Code (the “Act”), and TOWN OF ADDISON (“TOWN”). DART and TOWN may be referred to herein individually as a “Party” or collectively as “Parties.”

WHEREAS, pursuant to DART Board Resolution 220119, the DART Board of Directors directed the DART President & Chief Executive Officer to include \$214,250,000 in the Fiscal Year 2023 Budget for allocation to DART’s service area cities for Public Transportation System or Complementary Transportation Service purposes, as those terms are defined herein, consistent with the Act, hereinafter referred to as “Funds”); and

WHEREAS, pursuant to DART Board Resolution 220153, the Regional Transportation Council will program \$19,674,000 in federal funds to DART, which will allow DART to make an additional \$19,674,000 in local funds available to DART’s service area cities; and

WHEREAS, pursuant to DART Board Resolution 220154, each DART service area city is entitled to a receive a portion of the total funds available to the Service Area Cities, subject to the conditions contained in this Agreement; and

WHEREAS, the Parties are authorized to enter into this Agreement pursuant to Section 452.055(c) of the Act and Chapter 791 of the Texas Government Code; and

WHEREAS, TOWN is a DART service area city that is entitled to receive \$4,411,000 in Funds if it uses such Funds to complete projects that will benefit DART’s Public Transportation System or provide Complementary Transportation Services (each as defined below) and otherwise complies with the terms and conditions of this Agreement; and

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements of the Parties, the receipt and sufficiency which is hereby acknowledged, the Parties agree as follows:

Section I. Definitions

- 1.1 Complementary Transportation Services means: (a) special transportation services for a person who is elderly or has a disability; (b) medical transportation services; (c) assistance in street modifications as necessary to accommodate the Public Transportation System; and

(d) any other service that complements DART's Public Transportation System, including providing parking garages. "Complementary Transportation Services" must be provided within the limits of DART's service area.

- 1.2 Eligible Project means a TOWN project supporting DART's Public Transportation System or for Complementary Transportation Services that has been approved by DART in accordance with Section III of this Agreement.
- 1.3 Public Transportation means the conveyance of passengers and hand-carried packages or baggage of a passenger by any means of transportation.
- 1.4 Public Transportation System means (a) all property owned or held by DART for public transportation or complementary transportation service purposes, including vehicle parking areas and facilities and other facilities necessary or convenient for the beneficial use of, and the access of persons and vehicles to, public transportation; (b) real property, facilities, and equipment for the protection and environmental enhancement of all the facilities; and (c) property held in accordance with a contract with the owner making the property subject to the control of or regulation by DART and for public transportation or complementary transportation service purposes.
- 1.5 Effective Date means the date on which this Agreement was executed by a duly authorized representative of DART.

Section II. TOWN's Obligations

- 2.1 Use of Funds. TOWN shall use Funds only for an Eligible Project approved by DART in accordance with Section III of this Agreement.
- 2.2 Good Standing Requirement. TOWN understands and agrees TOWN shall not be entitled to receive any Funds until and unless the following preconditions are met:
 - a. Any outstanding debt owed to DART pursuant to any Interlocal Agreement or other Agreement whereby TOWN is obligated to pay DART for goods and services provided or for the reimbursement of goods and services provided shall be current or fully paid; and
 - b. TOWN shall have timely acted upon and fully satisfied all applications or submittals by DART or DART's contractor for permits, requests for project design review comments and approvals, traffic control plans and requests for documents or other information or permissions necessary for DART to proceed with advancement of its planned capital construction projects within the city limits of TOWN and shall have paid for all other delays or forfeited such delay amounts from TOWN's funds. TOWN shall certify to DART in its application for reimbursement of Funds that all such requests have been either fully satisfied or timely acted upon by TOWN and revision, clarification, or other response from DART is necessary for the submittal to comply with TOWN ordinances or other laws. Section 2.2(b) applies to project design review

comments, approvals, and other such requests, which TOWN shall approve or provide written comments to within ten (10) business days from the date received. For the avoidance of doubt, this section 2.2 of the Agreement applies to DART applications and submittals submitted to TOWN prior to the Effective Date. This requirement does not obligate TOWN to approve a permit or perform any other action in violation of its ordinances or other law.

- c. TOWN shall also have paid to DART, or forfeited from TOWN's Funds, all costs and expenses resulting from any delays to the construction of DART's planned capital projects which are caused or attributable to TOWN, for example (as illustration and not limitation) delayed actions by TOWN officials or requests by TOWN for betterments that are not required for the DART capital project to be constructed and operated in accordance with federal, state, or local laws in effect as of the Effective Date. Such costs caused by or attributed to TOWN include but are not limited to delay damages claimed or incurred against DART or DART's contractor.

2.3 Cooperation Requirement. TOWN agrees to work collaboratively with DART employees and contractors and employ its best efforts to assist DART in achieving its goals, including completion of any capital project located within the city limits of the TOWN. DART, in its sole discretion, determines what constitutes "best efforts" which include, but are not limited to:

- a. Expeditiously reviewing and responding to any request by DART or its contractors related to DART's planned capital construction projects within the city limits of TOWN;
- b. Promptly providing the basis for denial if TOWN denies any DART or DART contractor's request and the particular actions necessary to garner approval;
- c. Proposing and accepting reasonable solutions to expeditiously resolve design or construction conflicts or concerns;
- d. Treating DART's requests reasonably and indiscriminately; and
- e. Facilitating the expeditious progression of a dispute resolution through the dispute resolution process outlined in Section IX.

2.4 Certification of TOWN Meeting Requirements. TOWN shall have met the requirements of Section 2.2 and 2.3 before any project is approved and before funds are distributed to TOWN. For any individual project submitted by TOWN for approval or for any request by TOWN for reimbursement, DART shall review the TOWN's position under Section 2.2 and 2.3 and if TOWN is in compliance, DART shall certify to the Board of Directors that TOWN has met these requirements. If DART does not certify the TOWN's compliance under Section 2.2 and 2.3, TOWN will be informed within fourteen (14) business days of any deficiencies or matters requiring immediate action. In addition to Section 2.2.c, TOWN expressly consents to DART subtracting from the Funds or TOWN will pay upfront

all costs incurred by DART that are associated with TOWN's delayed actions or related to requests by TOWN for betterments that are not required for or are unrelated to the DART project to be constructed and operated in accordance with federal, state, or local laws in effect as of the Effective Date.

- 2.5 Project Design, Construction, and Maintenance. All activities associated with implementation and operation of an Eligible Project, including planning, design, construction, and maintenance, shall be the responsibility of TOWN, unless otherwise agreed to by DART.
- 2.6 Insurance. TOWN shall obtain and maintain, and shall require its contractors to obtain and maintain, adequate insurance or self-insurance coverage to effectively protect against the risks associated with each Eligible Project.

Section III. DART Approval of Eligible Projects

- 3.1 Allowable Projects and Activities. A project proposed by TOWN shall be related to improvement of, or provide a benefit to, DART's Public Transportation System or provide Complementary Transportation Services and be approved by DART in accordance with Section 3.2 of this Agreement. Eligible activities for which the Funds may be used include, but are not limited to, planning, environmental impact studies, engineering, final design, right-of-way acquisition, construction, testing, inspection, or surveying, and the cost of contracting with providers of Complementary Transportation Services.
- 3.2. TOWN Submittal of a Project. TOWN will submit to DART a description of a proposed project, a cost estimate, and a statement demonstrating how the proposed project will benefit DART's Public Transportation System or will provide Complementary Transportation Services.
- 3.3 Future DART System Projects. Section 3.2 notwithstanding, TOWN may submit to DART a proposal to reserve some or all of its Funds for one or more future DART system projects, such as construction of an infill station on a rail line, provided the project has been identified in DART's approved Transit System Plan and adopted twenty-year financial plan as of January 1, 2024. However, if DART or TOWN determines not to implement the future DART system project(s) identified by TOWN, TOWN may submit an alternative project provided it can satisfy the critical deadlines identified in Section 4.3. If the critical deadlines have passed, DART shall retain the reserved Funds and may, in its sole discretion, work with TOWN to identify an alternative use of the Funds.
- 3.4 DART Approvals. DART staff will have fourteen (14) days to review and respond to the proposed Project(s).
- 3.5 Eligible Projects. Only after a proposed project has been approved by DART in writing shall the proposed project be deemed an Eligible Project for the purposes of this Agreement.

Section IV. Financial Considerations

- 4.1 Eligibility for Reimbursement. TOWN's expenditure of funds for a proposed project prior to DART's approval of such project in accordance with Section 3 of this Agreement may render such expenditures ineligible for reimbursement by DART. DART shall have no obligation to reimburse TOWN for any Eligible Project undertaken prior to DART's approval therefor and DART is not obligated to provide Funds for activities performed or costs incurred prior to the execution of this Agreement.
- 4.2 Disbursement of Funds. DART will disburse Funds to TOWN only if TOWN is in good standing per Section 2.2 or meets the cooperation requirement per Section 2.3, and has received certification under Section 2.4 for Eligible Projects approved by DART in accordance with the following terms:
- a. General. DART will reimburse TOWN for the actual cost of an Eligible Project up to the cost as approved by DART and/or up to the amount of remaining Funds available to TOWN. DART shall have no obligation to pay to TOWN an amount greater than the amount of Funds available to TOWN if DART has approved more than one Eligible Project for TOWN. Unless otherwise agreed by DART, DART shall not be responsible to pay the cost of cost overruns. To the extent permitted by law, TOWN shall **RELEASE AND HOLD DART HARMLESS** from all claims or liabilities arising from the use of the Funds or implementation or operation of an Eligible Project.
 - b. Eligible Projects Estimated to Cost \$250,000 or Less. DART may, in its sole discretion, distribute up to 50% of the cost of an Eligible Project after project approval. DART will distribute the remainder of the Funds, up to an amount not to exceed the Eligible Project cost, upon substantial completion of the Eligible Project and receipt of a request for payment with supporting documentation of actual project costs incurred.
 - c. Eligible Projects Estimated to Cost More than \$250,000. DART may, in its sole discretion, distribute \$125,000 or up to 10% of the cost of an Eligible Project, whichever is greater, after project approval. DART may, in its sole discretion, further distribute up to 40% of the approved cost of the Project after receipt of notice to proceed by TOWN to its contractor for an Eligible Project. The remainder of the Funds will be distributed after receipt of a request for Funds along with supporting documentation of achievement of substantial completion under TOWN's contract documents and evidence of actual Project costs incurred.
 - d. Eligible Projects under Section 3.3. If requested by TOWN in accordance with Section 3.3, DART will set aside in a reserve fund all or a portion of TOWN's Funds to be used to implement a future DART system project that is included in DART's approved Transit System Plan and adopted twenty-year financial plan. These reserved Funds shall remain available until expended on the identified project or until project completion, whichever comes first, notwithstanding Section 4.3; provided, however, that if DART removes the project from its long-term capital plans, or if the amount of Funds held exceeds the amount needed for the project, the reserved Funds shall be

transferred to DART's reserve funds according to the Financial Standards in place at the time, and the reserve account for the Funds shall be closed.

- e. Invoicing. TOWN may submit a single reimbursement request for all Eligible Projects; however, TOWN may submit no more than one reimbursement request for Funds per month, inclusive of all Eligible Projects. DART will have fourteen (14) calendar days to review and respond to TOWN reimbursement requests for Funds.
- f. Payment. DART's President & Chief Executive Officer or delegate must approve all Fund distributions. DART will distribute undisputed Funds no sooner than fourteen (14) calendar days after approval, and no later than thirty (30) calendar days after approval.

4.3 Critical Deadlines. Except as expressly provided herein, the Funds are available for a limited time. TOWN must submit proposed projects to DART for approval by January 31, 2024. Contracts for Eligible Projects must be awarded by TOWN by February 28, 2025. Eligible Projects must achieve substantial completion by January 30, 2026. Requests for Funds must be submitted by April 30, 2026. Funds not duly requested by TOWN by April 30, 2026, shall be transferred to DART's reserve funds according to the Financial Standards in place at the time, and separate accounts in DART's accounting system for the purposes of this Agreement shall be closed.

4.4 Audit Rights. If a subsequent review of Eligible Project documentation reveals that Funds were expended in violation of this Agreement, TOWN shall promptly reimburse such Funds to DART.

Section V. Termination

5.1 DART Termination

a. If TOWN fails to timely meet any of the critical dates identified in Section 4.3 or otherwise comply with the terms of this Agreement, DART may terminate this Agreement by providing thirty calendar days' written notice. Upon termination of this Agreement by DART under this Section 5.1(a), TOWN shall return to DART any Funds (a) advanced but not yet used for an Eligible Project; or (b) used for a non-qualifying activity or purpose in violation of this Agreement; and DART shall have no further obligation to TOWN under this Agreement.

b. Additionally, DART shall have the right to terminate this Agreement under Section VI.

5.2 Expiration of Agreement. This Agreement shall terminate automatically upon the earlier of distribution or forfeiture of \$4,411,000 in Funds to TOWN and April 26, 2026; provided, however, obligations identified in Section 3.3 and 10.7, shall survive termination. The total distribution of Funds to TOWN shall by offset by deductions made pursuant to Section 2.2(c).

Section VI. Withdrawal of Service Area City

If an eligible municipality calls an election to withdraw from DART, no new applications for funding will be considered, payments under existing agreements will be immediately suspended and no new or pending applications will be recommended for funding.

Section VII. Legislative Activities of Service Area City

If the withdrawal election fails and the municipality remains in the DART Service Area, payments under existing agreements will resume. However, if the withdrawal election is successful and the municipality withdraws from DART, no further applications shall be addressed or received from such TOWN and no new allocations of funds under this agreement shall be made to the municipality. The agreements for all eligible projects shall provide that in such circumstances the agreement shall be deemed mutually cancelled and removed from the program, no further funding or reimbursement will be provided for the project by DART and funds previously paid for the eligible project by DART shall be included as part of the TOWN's total financial obligation to DART.

Section VIII. Termination of Prior Programs

- 8.1 Local Assistance Program. The parties agree that TOWN will submit all requests for reimbursement for the Local Assistance Program, which terminated in 2004, no later than March 31, 2023, and that immediately following final disposition of the request(s), all remaining funds shall be transferred to DART's reserve funds according to the Financial Standards in place at the time, and the related separate accounts in DART's accounting system shall be closed.
- 8.2 Transit Principal Arterial Street System Program. The parties agree that TOWN will submit all requests for reimbursement for the Transit Principal Arterial Street System Program no later than June 30, 2023, and that immediately following final disposition of the request(s), all remaining funds shall be transferred to DART's reserve funds according to the Financial Standards in place at the time, and the related separate accounts in DART's accounting system shall be closed.
- 8.3 Transit Related Improvement Program. The parties agree that TOWN will submit all requests for reimbursement for the Transit Related Improvement Program, which terminates on September 30, 2025, no later than September 30, 2027, and that immediately following final disposition of the request(s), all remaining funds shall be transferred to DART's reserve funds according to the Financial Standards in place at the time, and the related separate accounts in DART's accounting system shall be closed.

Section IX. Dispute Resolution

DART and TOWN will make good faith efforts to resolve any issues or disputes which may arise under this Agreement. TOWN and DART acknowledge and agree that *time is of the essence* at all levels of resolving issues or disputes related to the Funds. Unresolved issues or disputes will be

forwarded to the TOWN's Director of Transportation or an Assistant Director of Transportation and the DART Vice President of Finance or their equivalent for consideration and disposition. If an issue or dispute cannot be resolved, it will be elevated to TOWN's Assistant City Manager and the DART Executive Vice President/Chief Financial Officer or their equivalent for consideration and disposition. If an issue or dispute cannot be resolved, it will be elevated to TOWN's City Manager and the DART President & Chief Executive Officer as the final arbiters of the issue or dispute in accordance with the powers and authorities vested in them.

Section X. Miscellaneous

10.1 Notices. Notice shall be provided in writing at the following addresses:

DALLAS AREA RAPID TRANSIT
1401 Pacific Avenue
Dallas, Texas 75202-7210
cfo@dart.org
Attn: EVP, Chief Financial Officer

TOWN OF ADDISON
P.O. Box 9010
Addison, Texas 75001
sglickman@addisontx.gov
Attn: Chief Financial Officer

Copy to:
DART General Counsel
P.O. Box 660163
Dallas, TX 75266-7255

Either Party may designate a different address for receipt of notice by giving written notice of such change of address.

- 10.2 Governing Law; Voting Requirements for Initiation of Suit Against TOWN. This Agreement shall be construed under and in accordance with the laws of the State of Texas. Any action brought by a party to enforce any provision of this Agreement shall be commenced in a state district court of competent jurisdiction in Dallas County, Texas. DART shall not name or implead a non-principal municipality (TOWN) or its officers or employees except upon a two-thirds vote of the DART Board.
- 10.3 Entirety and Amendments. This Agreement embodies the entire agreement between the Parties and supersedes all prior agreements and understandings. This Agreement may be amended or supplemented only by a written instrument executed by the Parties.
- 10.4 No Joint Enterprise. The Parties do not intend that this Agreement be construed as finding that the Parties have formed a joint enterprise. It is not the intent of any of the Parties that a joint enterprise relationship is being entered into and the Parties hereto specifically disclaim such relationship.
- 10.5 Third Party Beneficiaries. There are no third-party beneficiaries to this Agreement.
- 10.6 Construction and Interpretation. This Agreement shall not be construed against the drafting Party.

- 10.7 Severability. If any provision of this Agreement is determined to be illegal or unenforceable in any respect, such determination will not affect the validity or enforceability of any other provision, each of which will be deemed to be independent and severable. Except for the time periods that TOWN must submit applications for eligible projects, all sections of the Interlocal Agreement survive and remain in force and effect.
- 10.8 No Waiver of Governmental Immunity. By entering into this Agreement, neither Party waives or diminishes any defenses available to it, including, by example and without limitation, governmental immunity and statutory caps on damages.
- 10.9 No Discrimination. In the performance of this Agreement, each Party warrants that is shall not discriminate against any person on account of race, color, sex, religious creed, age, disability, ethnic or national origin, veteran status or other protected group of persons.
- 10.10 Signature Authority. Each of the individuals signing this Agreement warrants that he or she is duly and properly authorized to execute this Agreement on behalf of his or her respective Party.

DALLAS AREA RAPID TRANSIT

Nadine S. Lee
 President & Chief Executive Officer

Date: _____

TOWN OF ADDISON

City Official

Title: _____

Date: _____

Council Meeting 2023

Meeting Date: 02/28/2023

Department: Infrastructure- Development Services

Pillars: Excellence in Transportation Systems

Milestones: Improve all modes of transportation with infrastructure in an acceptable condition and well maintained

AGENDA CAPTION:

Consider Action on a **Resolution Approving a Lease Agreement Between the Town of Addison and Kennington Parkway, Ltd. for the Property Located at 4950 Keller Springs Road Suite 200, Addison, Texas and Authorizing the City Manager to Execute the Agreement.**

BACKGROUND:

The purpose of this item is to approve a lease for 1,615 square feet of office space for the Bond Project Team. The lease space is located at 4950 Keller Springs Road, Suite 200 with a term of 60 months.

In November 2020, the newly formed Bond Project Team moved into the existing lease space at the Addison TreeHouse located at 14681 Midway Road. This space will no longer be available starting in the spring of 2023. The Bond Project Team oversees major bond projects, including Midway Road, Keller Springs Road, Airport Parkway, Quorum Drive, and Montfort Drive.

The new proposed base lease space costs are broken down in the table below.

Period in Months	Monthly Rental	Total Annual Cost	Annual Rent Per SF
01-12	\$2,181.60	\$26,179.15	\$16.21
13-24	\$2,247.54	\$26,970.50	\$16.70
25-36	\$2,314.83	\$27,778.00	\$17.20
37-48	\$2,383.47	\$28,601.65	\$17.71
49-60	\$2,454.80	\$29,457.60	\$18.24

The landlord has agreed to complete up to \$32,000 of needed improvements, with the Town paying \$6,000 of this cost. An estimated \$236.59/month in operating expenses and common area maintenance will also be added to the base costs.

Additional information can be found in the attached resolution with the lease

agreement.

This item is funded by proceeds from the 2012 and 2019 bond programs.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution - Bond Team Lease Space

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, APPROVING A LEASE AGREEMENT BETWEEN THE TOWN OF ADDISON AND KENNINGTON PARKWAY, LTD. FOR THE PROPERTY LOCATED A 4950 KELLER SPRINGS ROAD, SUITE 200, ADDISON, TEXAS; AUTHORIZING THE CITY MANAGER TO EXECUTE THE LEASE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council finds it presently necessary to lease additional short-term commercial office space for use by Town staff for general administrative purposes; and

WHEREAS, Town staff has identified a suitable commercial office space consisting of approximately 1,615 square feet in the Parkway Place building located at 4950 Keller Springs Road, Suite 200, Addison, Texas 75001 (the "Subject Property"); and

WHEREAS, the City Council desires to approve a commercial office lease between the Town and Kennington Parkway Ltd. for the Subject Property for a term of five (5) years (the "Lease")

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

SECTION 1. The City Council hereby approves the above-referenced Lease for the Subject Property, a copy of which is attached to this Resolution as **Exhibit A.** The City Manager, or designee, is hereby authorized to execute the Lease and all other documents necessary to effectuate the same.

SECTION 2. This Resolution shall take effect from and after its date of passage.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas, this the **28th** day of **FEBRUARY** 2023.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma Parker, City Secretary

EXHIBIT A

LEASE AGREEMENT

BETWEEN

KENNINGTON PARKWAY, LTD.,

AS LANDLORD,

AND

TOWN OF ADDISON, TEXAS,

AS TENANT

DATED February 13, **2023**

**PARKWAY PLACE
ADDISON, DALLAS COUNTY, TEXAS**

EXHIBIT A**BASIC LEASE INFORMATION**

Lease Date: February 13, 2023

Landlord: KENNINGTON PARKWAY, LTD., a Texas limited partnership d/b/a Kennington Commercial

Tenant: TOWN OF ADDISON, TEXAS, a home rule municipal corporation of the State of Texas

Premises: Suite No. 200, containing 1,615 rentable square feet, in the building commonly known as Parkway Place and located at 4950 Keller Springs Road, Addison, Texas 75001 (the "**Building**"). The Premises are outlined on the plan attached to this Lease as Exhibit A. The land on which the Building is located (the "**Land**") is described on Exhibit B. The term "**Project**" shall collectively refer to the Building, the Land, and the driveways, parking facilities, and similar improvements and easements associated with the foregoing or the operation thereof.

Term: Sixty (60) full calendar months, plus any partial month from the Commencement Date to the end of the month in which the Commencement Date falls, starting on the Commencement Date and ending at 5:00 p.m. local time on the last day of the 60th full calendar month following the Commencement Date, subject to adjustment and earlier termination as provided in the Lease. The "**Commencement Date**" means the earlier of the following dates:

(a) the date upon which Tenant opens the Premises to the public for business, or

(b) February 1, 2023; provided, that if Landlord is unable to deliver possession of the Premises to Tenant by such date, then, as provided in Section 2(c) of the Lease, Tenant shall accept possession of the Premises on the date Landlord tenders possession thereof to Tenant (which date will then be the "Commencement Date").

Minimum Rent: Minimum Rent shall be the following amounts for the following periods of time:

Lease Month	Annual Minimum Rent Rate Per Rentable Square Foot	Monthly Minimum Rent
01 – 12	\$16.21	\$2,181.60
13 – 24	\$16.70	\$2,247.54
25 – 36	\$17.20	\$2,314.83
37 – 48	\$17.71	\$2,383.47
49 – 60	\$18.24	\$2,454.80

As used herein, the term "**Lease Month**" means each calendar month during the Term (and if the Commencement Date does not occur on the first day of a calendar month, the period from the Commencement Date to the first day of the next calendar month shall be included in the first Lease Month for purposes of determining the duration of the Term and the monthly Minimum Rent rate applicable for such partial month).

Security Deposit: \$2,691.39.

Rent: Minimum Rent, Additional Rent and all other sums that Tenant may owe to Landlord or otherwise be required to pay under the Lease.

Permitted Use: General office and administration use for public works and engineering services.

EXHIBIT A

Tenant's Proportionate Share: 1.324%, which is the percentage obtained by dividing (a) the number of rentable square feet in the Premises as stated above by (b) the 121,949 rentable square feet in the Project. Landlord and Tenant stipulate that the number of rentable square feet in the Premises and in the Project set forth above is conclusive and shall be binding upon them. Tenant's Proportionate Share is subject to adjustment as provided in Section 6(c) of the Lease.

Initial Liability Insurance Amount: \$1,000,000.

Initial Monthly Payment of Rent: The following shall constitute Tenant's initial monthly payment of Rent required pursuant to Sections 3, 6(b), 10(e) and 15(b) of the Lease, which shall be adjusted as and when required under the terms of the Lease:

Minimum Rent	\$2,181.60
Additional Rent	
Tenant's Proportionate Share of Common Area Costs	\$181.79
Tenant's Proportionate Share of Insurance Costs	\$54.80
Total Initial Monthly Payment	\$2,418.19

Tenant's Address:	Prior to Commencement Date:	Following Commencement Date:
	Town of Addison	Town of Addison
	16801 Westgrove Drive	4950 Keller Springs Rd., Suite 200
	Addison, Texas 75001	Addison, Texas 75001
	Attention: _____	Attention: _____
	Telephone: _____	Telephone: _____

Landlord's Address: For all Notices:

Kennington Commercial
P.O. Box 192269
Dallas, Texas 75219
Attention: Clayton Kennington

EXHIBIT A**LEASE**

This Lease Agreement (this "**Lease**") is entered into as of the Lease Date, between KENNINGTON PARKWAY, LTD., a Texas limited partnership d/b/a Kennington Commercial ("**Landlord**"), and TOWN OF ADDISON, TEXAS, a home rule municipal corporation of the State of Texas ("**Tenant**").

1. **Definitions and Basic Provisions.** The definitions and basic provisions set forth in the Basic Lease Information (the "**Basic Lease Information**") executed by Landlord and Tenant contemporaneously herewith are incorporated herein by reference for all purposes. Additionally, the following terms shall have the following meanings when used in this Lease: "**Affiliate**" means any person or entity which, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the party in question; "**Building's Structure**" means the Building's exterior walls, roof, elevator shafts (if any), footings, foundations, structural portions of load-bearing walls, structural floors and subfloors, and structural columns and beams; "**Building's Systems**" means the Building's HVAC system (if it serves portions of the Building or Project in addition to or other than the Premises) and the Building's life-safety, plumbing, electrical and mechanical systems; "**including**" means including, without limitation; "**Laws**" means all federal, state, and local laws, ordinances, rules and regulations, all court orders, governmental directives, and governmental orders and all interpretations of the foregoing, and all restrictive covenants affecting this Lease or the Project, and "**Law**" means any of the foregoing; "**Tenant's Off-Premises Equipment**" means any of Tenant's equipment or other property that may be located on or about the Project (other than inside the Premises); "**Tenant Party**" means any of the following persons: Tenant; any assignees claiming by, through, or under Tenant; any subtenants claiming by, through, or under Tenant; and any of their respective agents, contractors, employees, licensees, guests and invitees' and "**Control**" means direct or indirect ownership of and the power to vote fifty percent (50%) or more of the voting stock of a corporation or fifty percent (50%) or more of the direct or indirect ownership interest in any partnership or other business entity.

2. **Premises; Construction.**

(a) **Lease Grant.** Subject to the terms of this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, the Premises.

(b) **Construction and Acceptance of Premises.** If Exhibit D hereto provides for Work to be performed by Landlord, then Landlord shall construct improvements in the Premises to the extent provided in Exhibit D (such Work, if any, to be performed by Landlord being herein sometimes referred to as "**Landlord's Work**"). Tenant shall accept possession of the Premises upon Landlord's tender of possession thereof to Tenant (with Landlord's Work, if any, Substantially Completed) and shall diligently perform the Work, if any, required to be performed by Tenant pursuant to Exhibit D (such Work, if any, to be performed by Tenant being herein sometimes referred to as "**Tenant's Work**") in accordance with Section 7 and Exhibit D and install its fixtures, furniture and equipment. Tenant shall pay all utility and similar costs incurred in performing Tenant's Work. By initiating Tenant's Work in the Premises (or if no Tenant's Work is to be performed by Tenant, then by occupying the Premises), Tenant shall be deemed to have accepted the Premises in their condition as of the date of such initiation of Tenant's Work (or the date of such occupancy, as the case may be), subject to the performance of punch-list items that remain to be performed by Landlord, if any. Occupancy of the Premises by Tenant prior to the Commencement Date shall be subject to all of the provisions of this Lease excepting only those requiring the payment of Minimum Rent and Additional Rent.

(c) **Tender of Possession.** Landlord and Tenant presently anticipate that possession of the Premises will be tendered to Tenant in the condition required by this Lease on or about February 1, 2023 (the "**Estimated Delivery Date**"). If Landlord is unable to tender possession of the Premises in such condition to Tenant by the Estimated Delivery Date, then (1) the validity of this Lease shall not be affected or impaired thereby, (2) Landlord shall not be in default hereunder or be liable for damages therefor, and (3) Tenant shall accept possession of the Premises when Landlord tenders possession thereof to Tenant. Prior to occupying the Premises, Tenant shall execute and deliver to Landlord a letter substantially in the form of Exhibit F hereto confirming (A) the Commencement Date and the expiration date of the initial Term, (B) that Tenant has accepted the Premises, and (C) that Landlord has performed all of its obligations (if any) with respect to the Premises (except for punch-list items, if any, specified in such letter); however, the failure of the parties to execute such letter shall not defer the

EXHIBIT A

Commencement Date or otherwise invalidate this Lease. Tenant shall furnish to Landlord a certificate of occupancy from applicable authorities before commencing business in the Premises.

3. Rent.

(a) **Payment.** Tenant shall timely pay to Landlord Rent, without notice, demand, deduction or set-off by good and sufficient funds at Landlord's address provided for in this Lease or as otherwise specified by Landlord, and all payments shall be accompanied by all applicable state and local sales or use taxes. The obligations of Tenant to pay Minimum Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations.

(b) **Minimum Rent.** Minimum Rent shall be payable monthly in advance. The first monthly installment of Minimum Rent shall be payable contemporaneously with the execution of this Lease; thereafter, Minimum Rent shall be payable on the first day of each month beginning on the first day of the second full calendar month of the Term. The monthly Minimum Rent for any partial month at the beginning of the Term shall be prorated for the number of days in the partial month, and shall be due on the Commencement Date. Payment of Minimum Rent for any fractional calendar month at the end of the Term shall be similarly prorated. Tenant shall pay Additional Rent at the same time and in the same manner as Minimum Rent. If Tenant has not opened for business in the Premises by the Commencement Date, then the daily Minimum Rent shall be increased by 50% until Tenant does open for business.

(c) **Additional Rent.** In addition to Minimum Rent, Tenant shall pay, as "**Additional Rent**" hereunder: (1) Tenant's Proportionate Share of Common Area Costs, as set forth in Section 6(b), (2) Tenant's Proportionate Share of Insurance Costs, as set forth in Section 10(e), and (3) Tenant's Proportionate Share of Taxes, as set forth in Section 15(b).

4. **Delinquent Payment; Handling Charges.** All past due payments required of Tenant hereunder shall bear interest from the date due until paid at the lesser of eighteen percent per annum or the maximum lawful rate of interest (such lesser amount is referred to herein as the "**Default Rate**"); additionally, Landlord, in addition to all other rights and remedies available to it, may charge Tenant a fee equal to five percent of the delinquent payment to reimburse Landlord for its cost and inconvenience incurred as a consequence of Tenant's delinquency. In no event, however, shall the charges permitted under this Section 4 or elsewhere in this Lease, to the extent they are considered to be interest under applicable Law, exceed the maximum lawful rate of interest. Notwithstanding the foregoing, the late fee referenced above shall not be charged with respect to the first occurrence (but not any subsequent occurrence) during any 12-month period that Tenant fails to make payment when due, until five days after Landlord delivers written notice of such delinquency to Tenant.

5. **Security Deposit.** Contemporaneously with the execution of this Lease, Tenant shall pay to Landlord the Security Deposit by good and sufficient funds at Landlord's address provided for in this Lease or as otherwise specified by Landlord, which shall be held by Landlord to secure Tenant's performance of its obligations under this Lease. The Security Deposit is not an advance payment of Rent or a measure or limit of Landlord's damages upon an Event of Default (as defined herein). Landlord may, from time to time following an Event of Default and without prejudice to any other remedy, use all or a part of the Security Deposit to perform any obligation Tenant fails to perform hereunder. Following any such application of the Security Deposit, Tenant shall pay to Landlord on demand the amount so applied in order to restore the Security Deposit to its original amount. Subject to the requirements of, and conditions imposed by, Laws applicable to security deposits under commercial leases, Landlord shall, within the time required by applicable Law, return to Tenant the portion of the Security Deposit remaining after deducting all damages, charges and other amounts permitted by Law. Landlord and Tenant agree that such deductions shall include, without limitation, all damages and losses that Landlord has suffered or that Landlord reasonably estimates that it will suffer as a result of any breach of this Lease by Tenant. The Security Deposit may be commingled with other funds, and no interest shall be paid thereon. If Landlord transfers its interest in the Premises, Landlord may assign the Security Deposit to the transferee and, upon such transfer and the delivery to Tenant of an acknowledgement of the transferee's responsibility for the Security Deposit as provided by Law, Landlord thereafter shall have no further liability for the return of the Security Deposit.

6. Common Area.

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(a) **Common Area.** As used herein, the "**Common Area**" means the part of the Project designated by Landlord from time to time for the common use of all tenants, including parking areas, sidewalks, landscaping, curbs, loading areas, private streets and alleys, lighting facilities, hallways, malls, and restrooms, all of which are subject to Landlord's sole control. Landlord may from time to time: change the dimensions and location of the Common Area, as well as the location, dimensions, identity and type of buildings; construct additional buildings or additional stories on existing buildings or other improvements in the Project; and eliminate buildings. Tenant and its employees, customers, subtenants, licensees and concessionaires shall have a non-exclusive license to use the Common Area in common with Landlord, other tenants of the Project and other persons permitted by Landlord to use the same. Landlord may promulgate and modify from time to time rules and regulations for the safety, care or cleanliness of the Project which shall be complied with by Tenant and its employees, agents, visitors and invitees. Landlord may temporarily close any part of the Common Area for such periods of time as may be necessary to prevent the public from obtaining prescriptive rights or to make repairs or alterations. Landlord may designate areas in which Tenant's employees shall be required to park, and Tenant shall cause its employees to park in such areas.

(b) **Common Area Costs.** Tenant shall pay its Proportionate Share of the costs incurred by Landlord in owning, operating, administering, repairing, replacing, improving and maintaining the Common Area, plus an administrative charge of fifteen percent (15%) of all such costs (collectively, "**Common Area Costs**"). Common Area Costs shall include the items specified on Exhibit C. Tenant's Proportionate Share of Common Area Costs shall be paid in monthly installments, concurrently with Minimum Rent, based upon Landlord's good faith estimate, from time to time, of Common Area Costs. Tenant's initial payment is based upon Landlord's estimate of Common Area Costs for the year in question, and the monthly payments thereof (and future payments) are subject to increase or decrease as determined by Landlord from time to time to reflect an accurate estimate of actual Common Area Costs. Within 120 days (or a reasonable time thereafter) after the end of each calendar year, Landlord shall deliver to Tenant a statement of Common Area Costs for such calendar year (the "**Reconciliation Statement**"). The Reconciliation Statement shall be reasonably detailed and, if requested in writing by Tenant, Landlord shall provide any back-up documentation within ten (10) Business Days following Tenant's written request therefor. Landlord shall answer any questions Tenant may have with respect to such Reconciliation Statement and use commercially reasonable efforts to resolve any issues that Tenant may have with respect to such Reconciliation Statement. Tenant shall pay Landlord or Landlord shall credit Tenant (or, if such adjustment is at the end of the Term, pay Tenant), within 30 days of Tenant's receipt of Reconciliation Statement, the amount of any excess or deficiency in Tenant's payment of its Proportionate Share of Common Area Costs for such calendar year.

(c) **Tenant's Proportionate Share.** Notwithstanding any contrary provision herein, in calculating Tenant's Proportionate Share of certain items (or components thereof), the following provisions shall apply: (1) in the case of Common Area Costs, the rentable area of the Project (as used in the calculation of Tenant's Proportionate Share) shall exclude (A) the rentable square feet of premises occupied by ground lessees or owners of outparcels within the Project who do not contribute on a Proportionate Share basis to the Project's Common Area Costs because they are obligated to maintain separately certain common areas appurtenant to their ground leased or owned premises, and (B) with regard to specific Common Area Cost items, the rentable square feet of all other tenants in the Project who do not include such items within the calculation of such other tenant's share of Common Area Costs because such other tenants are individually responsible for the item in question (e.g., if an anchor tenant provides for its own landscaping and the cost of landscaping is not part of such tenant's Common Area Cost obligation, that tenant's rentable square feet shall be excluded from the rentable area of the Project in determining Tenant's Proportionate Share of landscaping costs); (2) in the case of Insurance Costs, Tenant's Proportionate Share of Landlord's cost of casualty insurance shall exclude from the rentable area of the Project (used in the calculation of Tenant's Proportionate Share) the rentable square feet of any building in the Project which is separately insured by the tenant of such building, and which tenant as a result does not contribute to Landlord's cost of casualty insurance; and (3) in the case of Taxes, Tenant's Proportionate Share of Taxes shall exclude from the rentable area of the Project (used in the calculation of Tenant's Proportionate Share) the rentable square feet of any leased building in the Project which is separately assessed and whose tenant pays such separately assessed tax amount pursuant to its lease in lieu of paying a Proportionate Share of Taxes assessed for the Project as a whole. If buildings are added to or removed from the Project, or additional areas are leased to tenants whose rentable square footage is excluded from the rentable area of the Project under the foregoing calculations, Tenant's Proportionate Share shall be appropriately adjusted.

7. **Improvements; Alterations; Repairs; Maintenance; Utilities.**

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(a) **Improvements; Alterations.** Except for Landlord's Work (if any) to be performed pursuant to Exhibit D, all alterations and improvements to the Premises shall be installed at Tenant's expense only in accordance with plans and specifications which have been previously submitted to and approved in writing by Landlord, which approval shall be governed by the provisions set forth in this Section 7(a). No alterations or physical additions in or to the Premises may be made without Landlord's prior written consent, in Landlord's sole discretion. All alterations, additions, and improvements shall be constructed, maintained, and used by Tenant, at its risk and expense, in accordance with all Laws; Landlord's consent to or approval of any alterations, additions or improvements (or the plans therefor) shall not constitute a representation or warranty by Landlord, nor Landlord's acceptance, that the same comply with sound architectural and/or engineering practices or with all applicable Laws, and Tenant shall be solely responsible for ensuring all such compliance.

(b) **Repairs; Maintenance.** Tenant shall maintain the Premises in a good, clean, safe, and operable condition, and shall not permit or allow to remain any waste or damage to any portion of the Premises. Without limiting the foregoing, Tenant shall (1) maintain the interior walls and the interior surfaces of exterior walls (including painting and other treatment thereof), store fronts, plate glass windows, doors, door closure devices, window and door frames, molding, locks and hardware, floors, floor coverings and ceiling, (2) maintain, repair and replace all plate and other glass, (3) furnish, maintain and replace all electric light bulbs, tubes and tube casings, and (4) maintain all plumbing and electrical systems and all equipment (including all air conditioning, heating and ventilating equipment) and fixtures within or serving the Premises, Tenant's Off-Premises Equipment and all areas, improvements and systems exclusively serving the Premises, in each case, in good operating order and condition and in accordance with all Laws and the equipment manufacturers' suggested service programs; and Tenant shall, at its sole cost and expense, make all needed repairs and replacements to all of the foregoing items. Tenant shall enter into a preventive maintenance/service contract with a maintenance contractor approved by Landlord for servicing all air conditioning, heating and ventilating equipment serving the Premises (the "**HVAC Maintenance Agreement**"). If Tenant fails to provide Landlord with a copy of such HVAC Maintenance Agreement within ten (10) days after the Commencement Date, Landlord may enter into such HVAC Maintenance Agreement on Tenant's behalf, the cost of which will be charged to Tenant as Additional Rent. Additionally, at all times Landlord shall have the option, upon written notice to Tenant, to enter into such HVAC Maintenance Agreement covering Tenant's equipment along with other tenants of the Project, the cost of which will be included in Common Area Costs. Tenant shall, at Tenant's sole cost and expense, obtain and maintain in effect at all times a pest control service to regularly exterminate the Premises for all pests. Such service shall exterminate the Premises as necessary to keep the Premises reasonably free from pests. If Tenant fails to provide such service to Landlord's reasonable satisfaction, Landlord shall have the right, but not the obligation, to provide such pest control as Landlord, in its sole discretion, deems appropriate, and Tenant shall be liable for all reasonable costs thereof and all shall pay all such amounts to Landlord upon demand. Tenant shall keep all plumbing units, pipes and connections free from obstruction and protected against ice and freezing. Tenant shall be responsible for the cleaning and maintenance of any grease trap serving the Premises and shall enter into, and furnish to Landlord upon request a copy of, a grease trap cleaning and maintenance contract reasonably acceptable to Landlord. Tenant shall repair or replace, subject to Landlord's direction and supervision, any damage to the Project caused by a Tenant Party. If Tenant fails to make such repairs or replacements within 15 days after the occurrence of such damage, then Landlord may make the same at Tenant's cost. If any such damage occurs outside of the Premises, then Landlord may elect to repair such damage at Tenant's expense, rather than having Tenant repair such damage. The cost of all maintenance, repair or replacement work performed by Landlord under this Section 7 shall be paid by Tenant to Landlord within 30 days after Landlord has invoiced Tenant therefor.

(c) **Performance of Work.** All work described in this Section 7 shall be performed only by Landlord or by contractors and subcontractors approved in writing by Landlord. Tenant shall cause all contractors and subcontractors to procure and maintain insurance coverage naming Landlord, Landlord's property management company and Landlord's asset management company as additional insureds against such risks, in such amounts, and with such companies as Landlord may reasonably require. Tenant shall provide Landlord with the identities, mailing addresses and telephone numbers of all persons performing work or supplying materials prior to beginning such construction and Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable Laws. All such work shall be performed in accordance with all Laws and in a good and workmanlike manner so as not to damage the Project (including the Premises, the Building's Structure and the Building's Systems). All such work which may affect the Building's Structure or the Building's Systems must be approved by the Building's engineer of record, at Tenant's expense and, at Landlord's election, must be performed by Landlord's usual contractor for such

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work. All work affecting the roof of the Building must be performed by Landlord's roofing contractor and no such work will be permitted if it would void or reduce the warranty on the roof.

(d) **Mechanic's Liens.** All work performed, materials furnished, or obligations incurred by or at the request of a Tenant Party shall be deemed authorized and ordered by Tenant only, and Tenant shall not permit any mechanic's liens to be filed against the Premises or the Project in connection therewith. Upon completion of any such work, Tenant shall deliver to Landlord final lien waivers from all contractors, subcontractors and materialmen who performed such work. If such a lien is filed, then Tenant shall, within ten days after Landlord has delivered notice of the filing thereof to Tenant (or such earlier time period as may be necessary to prevent the forfeiture of the Project or any interest of Landlord therein or the imposition of a civil or criminal fine with respect thereto), either (1) pay the amount of the lien and cause the lien to be released of record, or (2) diligently contest such lien and deliver to Landlord a bond or other security reasonably satisfactory to Landlord. If Tenant fails to timely take either such action, then Landlord may pay the lien claim, and any amounts so paid, including expenses and interest, shall be paid by Tenant to Landlord within ten days after Landlord has invoiced Tenant therefor. Landlord and Tenant acknowledge and agree that their relationship is and shall be solely that of "landlord-tenant" (thereby excluding a relationship of "owner-contractor," "owner-agent" or other similar relationships). Nothing herein shall be deemed a consent by Landlord to any liens being placed upon the Project or Landlord's interest therein due to any work performed by or for Tenant or deemed to give any contractor or subcontractor or materialman any right or interest in any funds held by Landlord to reimburse Tenant for any portion of the cost of such work. Tenant shall hold harmless Landlord and its agents and representatives from and against all claims, demands, causes of action, suits, judgments, damages and expenses (including attorneys' fees) in any way arising from or relating to the failure by any Tenant Party to pay for any work performed, materials furnished, or obligations incurred by or at the request of a Tenant Party. This indemnity provision shall survive termination or expiration of this Lease.

(e) **Use of Roof.** The roof above the Premises is not part of the Premises and is exclusively reserved to Landlord, and Tenant shall not go on the roof nor install any antennae, satellite dish or other improvements on the roof without Landlord's prior written consent.

(f) **Signs; Store Fronts.** Tenant shall not, without Landlord's prior written consent (1) make any changes to or paint the store front; or (2) install any exterior lighting, decorations or paintings; or (3) erect or install any signs, banners, window or door lettering, placards, decorations or advertising media of any type visible from the exterior or interior of the Premises. All signs, decorations and advertising media shall conform to the sign criteria attached as Exhibit J. Landlord may designate a uniform type of sign for the Project to be installed and paid for by Tenant. Tenant shall, on or before the Commencement Date, install all signs in accordance with Exhibit J. At the end of the Term or upon termination of Tenant's right to possess the Premises, or upon the removal or alteration of a sign for any reason, Tenant shall repair, paint, and/or replace the building fascia surface where signs are attached.

(g) **Utilities.** Landlord shall provide and maintain the facilities necessary to supply water, electricity, gas (if applicable), telephone service and sewerage service to the Premises. Tenant shall be responsible for providing any meters or other devices for the measurement of utilities supplied to the designated point of service. Tenant shall promptly pay all charges for electricity, water, gas, telephone service, sewerage service and other utilities furnished to the Premises (including all tap fees and similar assessments made in connecting the Premises to such utilities) and any maintenance charges therefor. Landlord shall not be liable to Tenant, any Tenant Party or any other person or entity whatsoever, for abatement of rent as a result of, or for any other loss or damages whatsoever occurring in connection with, any interruption or failure whatsoever in utility services, and Tenant shall comply with all provisions of this Lease notwithstanding any such failure or interruption.

(h) **Excess Utility Use.** Landlord shall not be required to furnish electrical current for equipment that requires more than 110 volts or other equipment whose electrical energy consumption exceeds normal office usage. If Tenant's requirements for or consumption of electricity exceed the electricity to be provided by Landlord as described herein, Landlord shall, at Tenant's expense, make reasonable efforts to supply such service through the then-existing feeders and risers serving the Building and the Premises, and Tenant shall pay to Landlord the cost of such service within 30 days after Landlord has delivered to Tenant an invoice therefor. Landlord may determine the amount of such additional consumption and potential consumption by any verifiable method, including installation of a separate meter in the Premises installed, maintained, and read by Landlord, at Tenant's expense. Tenant shall not install any electrical equipment requiring special wiring or requiring voltage in excess of 110 volts

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unless approved in advance by Landlord. The use of electricity in the Premises shall not exceed the capacity of existing feeders and risers to or wiring in the Premises. Any risers or wiring required to meet Tenant's excess electrical requirements shall, upon Tenant's written request, be installed by Landlord, at Tenant's cost, if, in Landlord's judgment, the same are necessary and shall not cause permanent damage to the Building or the Premises, cause or create a dangerous or hazardous condition, entail excessive or unreasonable alterations, repairs, or expenses, or interfere with or disturb other tenants of the Building. If Tenant uses machines or equipment in the Premises which affect the temperature otherwise maintained by the air conditioning system or otherwise overload any utility, Landlord may install supplemental air conditioning units or other supplemental equipment in the Premises, and the cost thereof, including the cost of installation, operation, use, and maintenance, in each case, plus an administrative fee of 15% of such cost, shall be paid by Tenant to Landlord within 30 days after Landlord has delivered to Tenant an invoice therefor.

8. Use and Care of the Premises.

(a) **Use and Operations.** Tenant shall continuously occupy and use the entire Premises throughout the Term only for the Permitted Use, and shall comply with all Laws relating to this Lease and/or the use, maintenance, condition, access to, and occupancy of the Premises and will not commit waste, overload the Building's Structure or the Building's Systems or subject the Premises to use that would damage the Premises. Tenant shall not conduct second or third shift operations within the Premises; however, Tenant may use the Premises after normal business hours, so long as Tenant is not generally conducting business from the Premises after normal business hours. The Premises shall not be used for any use that is disreputable, creates extraordinary fire hazards, or results in an increased rate of insurance on the Project or its contents, or for the storage of any Hazardous Materials (other than typical office supplies and then only in compliance with all Laws). If, because of a Tenant Party's acts or because Tenant vacates the Premises, the rate of insurance on the Project or its contents increases, then such acts shall be an Event of Default, Tenant shall pay to Landlord the amount of such increase on demand, and acceptance of such payment shall not waive any of Landlord's other rights. Tenant shall conduct its business and control each other Tenant Party so as not to create any nuisance or unreasonably interfere with other tenants, invitees, or Landlord in its management of the Project.

(b) **Impact on Insurance.** The Premises shall not be used for any use that is disreputable, creates extraordinary fire hazards, or results in an increased rate of insurance on the Project or its contents, or for the storage of any Hazardous Materials (other than those in normal commercial and retail applications or sold as retail consumer products and then only in compliance with all Laws). If, because of a Tenant Party's acts or because Tenant vacates the Premises, the rate of insurance on the Project or its contents increases, then such acts shall be an Event of Default, Tenant shall pay to Landlord the amount of such increase on demand, and acceptance of such payment shall not waive any of Landlord's other rights.

(c) **Display Windows.** Tenant shall maintain all display windows in a neat, attractive condition (as determined by Landlord in its sole but reasonable discretion), and shall keep all display windows and exterior electric signs in front of the Premises lighted from dusk until 10:00 p.m. every day, including Sundays and holidays. Landlord reserves the right to connect all canopy signs in the Project, including Tenant's, to a common electrical line controlled by Landlord, in order to control the hours during which such signs are kept lighted, and all charges for the installation, maintenance and repair of such electrical line, as well as all electrical usage charges associated therewith, shall be included in Common Area Costs.

(d) **Compliance with Law.**

(1) **Existing Laws.** If any Laws in existence as of the date of this Lease require an alteration or modification of the Premises (a "**Code Modification**") and such Code Modification (i) is not made necessary as a result of the specific use being made by Tenant of the Premises (as distinguished from an alteration or improvement which would be required to be made by the owner of any building comparable to the Building irrespective of the use thereof by any particular occupant), and (ii) is not made necessary as a result of any alteration of the Premises by Tenant, then such Code Modification shall be performed by Landlord at Landlord's sole cost and expense.

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(2) **Governmental Regulations – Landlord Responsibility.** If, as a result of one or more Laws that are not in existence as of the date of this Lease, it is necessary from time to time during the Term, to perform a Code Modification to the Building or Project that (i) is not made necessary as a result of the specific use being made by Tenant of the Premises (as distinguished from an alteration or improvement which would be required to be made by the owner of any building comparable to the Building irrespective of the use thereof by any particular occupant), and (ii) is not made necessary as a result of any alteration of the Premises by Tenant, such Code Modification shall be performed by Landlord and cost thereof shall be included as Common Area Costs.

(3) **Governmental Regulations – Tenant Responsibility.** If, as a result of one or more Laws, it is necessary from time to time during the Term, to perform a Code Modification to the Building or Project that is made necessary as a result of the specific use being made by Tenant of the Premises or as a result of any alteration of the Premises by Tenant, such Code Modification shall be the sole and exclusive responsibility of Tenant in all respects; provided, however, Tenant shall have the right to retract its request to perform a proposed alteration in the event that the performance of such alteration would trigger the requirement for a Code Modification.

(e) **Permits and Licenses.** Tenant shall procure, at its sole expense, all permits and licenses required for its operations and the transaction of business in the Premises.

9. **Assignment and Subletting.**

(a) **Transfers.** Tenant shall not, without the prior written consent of Landlord, (1) assign, transfer, or encumber this Lease or any estate or interest herein, whether directly or by operation of law, (2) permit any other entity to become Tenant hereunder by merger, consolidation, or other reorganization, (3) if Tenant is an entity other than a corporation whose stock is publicly traded, permit the transfer of an ownership interest in Tenant so as to result in a change in the current control of Tenant, (4) sublet any portion of the Premises, (5) grant any license, concession, or other right of occupancy of any portion of the Premises, or (6) permit the use of the Premises by any parties other than Tenant (any of the events listed in Section 9(a)(1) through 9(a)(6) being a "**Transfer**").

(b) **Request for Consent.** If Tenant requests Landlord's consent to a Transfer, then, at least 15 business days prior to the effective date of the proposed Transfer, Tenant shall provide Landlord with a written description of all terms and conditions of the proposed Transfer, copies of the proposed documentation, and the following information about the proposed transferee: name and address of the proposed transferee and any entities and persons who own, control or direct the proposed transferee; reasonably satisfactory information about its business and business history; its proposed use of the Premises; banking, financial, and other credit information; and general references sufficient to enable Landlord to determine the proposed transferee's creditworthiness and character. Concurrently with Tenant's notice of any request for consent to a Transfer, Tenant shall pay to Landlord a fee of \$2,500 to defray Landlord's expenses in reviewing such request.

(c) **Conditions to Consent.** If Landlord consents to a proposed Transfer, then the proposed transferee shall deliver to Landlord a written agreement whereby it expressly assumes Tenant's obligations hereunder; however, any transferee of less than all of the space in the Premises shall be liable only for obligations under this Lease that are properly allocable to the space subject to the Transfer for the period of the Transfer. No Transfer shall release Tenant from its obligations under this Lease, but rather Tenant and its transferee shall be jointly and severally liable therefor. Landlord's consent to any Transfer shall not waive Landlord's rights as to any subsequent Transfers. If an Event of Default occurs while the Premises or any part thereof are subject to a Transfer, then Landlord, in addition to its other remedies, may collect directly from such transferee all rents becoming due to Tenant and apply such rents against Rent. Tenant authorizes its transferees to make payments of rent directly to Landlord upon receipt of notice from Landlord to do so following the occurrence of an Event of Default hereunder. Tenant shall pay for the cost of any demising walls or other improvements necessitated by a proposed subletting or assignment.

(d) **Attornment by Subtenants.** Each sublease by Tenant hereunder shall be subject and subordinate to this Lease and to the matters to which this Lease is or shall be subordinate, and each subtenant by entering into a sublease is deemed to have agreed that in the event of termination, re-entry or dispossession by Landlord under this Lease, Landlord may, at its option, take over all of the right, title and interest of Tenant, as sublandlord,

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under such sublease, and such subtenant shall, at Landlord's option, attorn to Landlord pursuant to the then executory provisions of such sublease, except that Landlord shall not be (1) liable for any previous act or omission of Tenant under such sublease, (2) subject to any counterclaim, offset or defense that such subtenant might have against Tenant, (3) bound by any previous modification of such sublease not approved by Landlord in writing or by any rent or additional rent or advance rent which such subtenant might have paid for more than the current month to Tenant, and all such rent shall remain due and owing, notwithstanding such advance payment, (4) bound by any security or advance rental deposit made by such subtenant which is not delivered or paid over to Landlord and with respect to which such subtenant shall look solely to Tenant for refund or reimbursement, or (5) obligated to perform any work in the subleased space or to prepare it for occupancy, and in connection with such attornment, the subtenant shall execute and deliver to Landlord any instruments Landlord may reasonably request to evidence and confirm such attornment. Each subtenant or licensee of Tenant shall be deemed, automatically upon and as a condition of its occupying or using the Premises or any part thereof, to have agreed to be bound by the terms and conditions set forth in this Section 9(d). The provisions of this Section 9(d) shall be self-operative, and no further instrument shall be required to give effect to this provision.

(e) **Cancellation.** Landlord may, within 30 days after submission of Tenant's written request for Landlord's consent to an assignment or subletting, cancel this Lease as to the portion of the Premises proposed to be sublet or assigned as of the date the proposed Transfer is to be effective. If Landlord cancels this Lease as to any portion of the Premises, then this Lease shall cease for such portion of the Premises and Tenant shall pay to Landlord all Rent accrued through the cancellation date relating to the portion of the Premises covered by the proposed Transfer. Thereafter, Landlord may lease such portion of the Premises to the prospective transferee (or to any other person) without liability to Tenant.

(f) **Additional Compensation.** Tenant shall pay to Landlord, immediately upon receipt thereof, the excess of (1) all compensation received by Tenant for a Transfer less the actual out-of-pocket costs reasonably incurred by Tenant with unaffiliated third parties (i.e., brokerage commissions and tenant finish work) in connection with such Transfer (such costs shall be amortized on a straight-line basis over the term of the Transfer in question) over (2) the Rent allocable to the portion of the Premises covered thereby.

10. **Insurance; Waivers; Subrogation; Indemnity.**

(a) **Tenant's Insurance.** Effective as of the earlier of (1) the date Tenant enters or occupies the Premises, or (2) the Commencement Date and continuing throughout the Term, Tenant shall maintain the following insurance policies: (A) commercial general liability insurance in amounts of \$1,000,000 per occurrence, \$2,000,000 general aggregate, and an Excess Limits (Umbrella) Policy in the amount of \$3,000,000, or, following the expiration of the initial Term, such other amounts as Landlord may from time to time reasonably require (and, if the use and occupancy of the Premises include any activity or matter that is or may be excluded from coverage under a commercial general liability policy [e.g., the sale, service or consumption of alcoholic beverages], Tenant shall obtain such endorsements to the commercial general liability policy or otherwise obtain insurance to insure all liability arising from such activity or matter [including liquor liability, if applicable] in such amounts as Landlord may reasonably require), insuring Tenant, Landlord, Landlord's property management company, Landlord's asset management company and, if requested in writing by Landlord, Landlord's Mortgagee, against all liability for injury to or death of a person or persons or damage to property arising from the use and occupancy of the Premises and (without implying any consent by Landlord to the installation thereof) the installation, operation, maintenance, repair or removal of Tenant's Off-Premises Equipment, (B) insurance covering the full value of all alterations and improvements and betterments in the Premises, naming Landlord and Landlord's Mortgagee as additional loss payees as their interests may appear, (C) insurance covering the full value of all furniture, trade fixtures and personal property (including property of Tenant or others) in the Premises or otherwise placed in the Project by or on behalf of a Tenant Party (including Tenant's Off-Premises Equipment), (D) contractual liability insurance sufficient to cover Tenant's indemnity obligations hereunder (but only if such contractual liability insurance is not already included in Tenant's commercial general liability insurance policy), (E) worker's compensation insurance, (F) business interruption insurance in an amount reasonably acceptable to Landlord, and (G) commercial auto liability insurance in amounts of \$1,000,000 combined single limit covering all owned, non-owned, and hired automobiles and vehicles. The commercial general liability insurance and commercial auto liability insurance to be maintained by Tenant may have a deductible of no more than \$5,000 per occurrence; the property insurance to be maintained by Tenant may have a deductible of no more than \$10,000 per occurrence; and, all other insurance to be maintained by Tenant shall have no

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deductible. Tenant's insurance shall provide primary coverage to Landlord when any policy issued to Landlord provides duplicate or similar coverage, and in such circumstance Landlord's policy will be excess over Tenant's policy. Tenant shall furnish to Landlord certificates of such insurance and such other evidence satisfactory to Landlord of the maintenance of all insurance coverages required hereunder at least ten days prior to the earlier of the Commencement Date or the date Tenant enters or occupies the Premises, and at least 15 days prior to each renewal of said insurance, and Tenant shall obtain a written obligation on the part of each insurance company to notify Landlord at least 30 days before cancellation or a material change of any such insurance policies. All such insurance policies shall be in form reasonably satisfactory to Landlord, and issued by companies with an A.M. Best rating of A- VIII or better. If Tenant fails to comply with the foregoing insurance requirements or to deliver to Landlord the certificates or evidence of coverage required herein, Landlord, in addition to any other remedy available pursuant to this Lease or otherwise, may, but shall not be obligated to, obtain such insurance and Tenant shall pay to Landlord on demand the premium costs thereof, plus an administrative fee of 15% of such cost.

(b) **Landlord's Insurance.** Throughout the Term of this Lease, Landlord shall maintain, as a minimum, the following insurance policies: (1) property insurance for the Project's replacement value (excluding property required to be insured by Tenant), less a commercially reasonable deductible if Landlord so chooses, and (2) commercial general liability insurance in an amount of not less than \$1,000,000. Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary. The cost of all insurance carried by Landlord with respect to the Project shall be included in Insurance Costs. The foregoing insurance policies and any other insurance carried by Landlord shall be for the sole benefit of Landlord and under Landlord's sole control, and Tenant shall have no right or claim to any proceeds thereof or any other rights thereunder.

(c) **No Subrogation; Waiver of Property Claims.** Landlord and Tenant each waives any claim it might have against the other for any damage to or theft, destruction, loss, or loss of use of any property, to the extent the same is insured against under any insurance policy of the types described in this Section 10 that covers the Project, the Premises, Landlord's or Tenant's fixtures, personal property, leasehold improvements, or business, or is required to be insured against under the terms hereof, **regardless of whether the negligence of the other party caused such Loss** (defined below). Additionally, Tenant waives any claim it may have against Landlord for any Loss to the extent such Loss is caused by a terrorist act. Each party shall cause its insurance carrier to endorse all applicable policies waiving the carrier's rights of recovery under subrogation or otherwise against the other party. Notwithstanding any provision in this Lease to the contrary, Landlord, its agents, employees and contractors shall not be liable to Tenant or to any party claiming by, through or under Tenant for (and Tenant hereby releases Landlord and its servants, agents, contractors, employees and invitees from any claim or responsibility for) any damage to or destruction, loss, or loss of use, or theft of any property of any Tenant Party located in or about the Project, caused by casualty, theft, fire, third parties or any other matter or cause, **regardless of whether the negligence of any party caused such loss in whole or in part.** Tenant acknowledges that Landlord shall not carry insurance on, and shall not be responsible for damage to, any property of any Tenant Party located in or about the Project.

(d) **Indemnity.** Subject to Section 10(c), Tenant shall hold harmless Landlord and its representatives and agents from and against all third-party claims, demands, liabilities, causes of action, suits, judgments, damages, and expenses (including reasonable attorneys' fees) arising from any injury to or death of any person or the damage to or theft, destruction, loss, or loss of use of, any property or inconvenience (a "**Loss**") (1) occurring in or on the Project (other than within the Premises) to the extent caused by the negligence or willful misconduct of any Tenant Party, (2) occurring in the Premises, or (3) arising out of the installation, operation, maintenance, repair or removal of any property of any Tenant Party located in or about the Project, including Tenant's Off-Premises Equipment. This Section 10(d) shall survive termination or expiration of this Lease and shall not terminate or be waived, diminished or affected in any manner by any abatement or apportionment of Rent under any provision of this Lease. If any proceeding is filed for which indemnity is required hereunder, the indemnifying party agrees, upon request therefor, to defend the indemnified party in such proceeding at its sole cost utilizing counsel satisfactory to the indemnified party.

(e) **Cost of Landlord's Insurance.** Tenant shall pay its Proportionate Share of the cost of the property and liability insurance carried by Landlord from time to time with respect to the Project (including all buildings, other improvements and the Common Area and Landlord's personal property used in connection therewith), which may include fire and extended coverage insurance (including extended and broad form coverage risks, mudslide, land subsidence, volcanic eruption, flood, earthquake and rent loss insurance) and comprehensive general

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public liability insurance and excess liability insurance, in such amounts and containing such terms as Landlord deems necessary or desirable (collectively, "**Insurance Costs**"). During each month of the Term, Tenant shall make a monthly payment to Landlord equal to 1/12th of its Proportionate Share of Insurance Costs that will be due and payable for that particular year. Each payment of Insurance Costs shall be due and payable at the same time as, and in the same manner as, the payment of Minimum Rent as provided herein. The initial monthly payment of Insurance Costs is based upon Landlord's good faith estimate of Tenant's Proportionate Share of the estimated Insurance Costs for the remainder of the first calendar year. The monthly payment of Insurance Costs is subject to increase or decrease as determined by Landlord to reflect accurately Tenant's estimated Proportionate Share of Insurance Costs. If, following Landlord's receipt of the bill for the insurance premiums for a calendar year, Landlord determines that Tenant's total payments of Insurance Costs are less than Tenant's actual Proportionate Share of Insurance Costs, Tenant shall pay to Landlord the difference upon demand; if Tenant's total payments of Insurance Costs are more than Tenant's actual Proportionate Share of Insurance Costs, Landlord shall retain such excess and credit it to Tenant's future payments of Insurance Costs (unless such adjustment is at the end of the Term, in which event Landlord shall refund such excess to Tenant).

11. **Subordination; Attornment; Notice to Landlord's Mortgagee.**

(a) **Subordination.** This Lease shall be subordinate to any deed of trust, mortgage, or other security instrument (each, a "**Mortgage**"), or any ground lease, master lease, or primary lease (each, a "**Primary Lease**"), that now or hereafter covers all or any part of the Premises (the mortgagee under any such Mortgage, beneficiary under any such deed of trust, or the lessor under any such Primary Lease is referred to herein as a "**Landlord's Mortgagee**"). Any Landlord's Mortgagee may elect, at any time, unilaterally, to make this Lease superior to its Mortgage, Primary Lease, or other interest in the Premises by so notifying Tenant in writing. The provisions of this Section shall be self-operative and no further instrument of subordination shall be required; however, in confirmation of such subordination, Tenant shall execute and return to Landlord (or such other party designated by Landlord) within ten days after written request therefor such documentation, in recordable form if required, as a Landlord's Mortgagee may reasonably request to evidence the subordination of this Lease to such Landlord's Mortgagee's Mortgage or Primary Lease (including a subordination, non-disturbance and attornment agreement) or, if the Landlord's Mortgagee so elects, the subordination of such Landlord's Mortgagee's Mortgage or Primary Lease to this Lease.

(b) **Attornment.** Tenant shall attorn to any party succeeding to Landlord's interest in the Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of lease, or otherwise, upon such party's request, and shall execute such agreements confirming such attornment as such party may reasonably request.

(c) **Notice to Landlord's Mortgagee.** Tenant shall not seek to enforce any remedy it may have for any default on the part of Landlord without first giving written notice by certified mail, return receipt requested, specifying the default in reasonable detail, to any Landlord's Mortgagee whose address has been given to Tenant, and affording such Landlord's Mortgagee a reasonable opportunity to perform Landlord's obligations hereunder.

(d) **Landlord's Mortgagee's Protection Provisions.** If Landlord's Mortgagee shall succeed to the interest of Landlord under this Lease, Landlord's Mortgagee shall not be: (1) liable for any act or omission of any prior lessor (including Landlord); (2) bound by any rent or additional rent or advance rent which Tenant might have paid for more than the current month to any prior lessor (including Landlord), and all such rent shall remain due and owing, notwithstanding such advance payment; (3) bound by any security or advance rental deposit made by Tenant which is not delivered or paid over to Landlord's Mortgagee and with respect to which Tenant shall look solely to Landlord for refund or reimbursement; (4) bound by any termination, amendment or modification of this Lease made without Landlord's Mortgagee's consent and written approval, except for those terminations, amendments and modifications permitted to be made by Landlord without Landlord's Mortgagee's consent pursuant to the terms of the loan documents between Landlord and Landlord's Mortgagee; (5) subject to the defenses which Tenant might have against any prior lessor (including Landlord); and (6) subject to the offsets which Tenant might have against any prior lessor (including Landlord) except for those offset rights which (A) are expressly provided in this Lease, (B) relate to periods of time following the acquisition of the Project by Landlord's Mortgagee, and (C) Tenant has provided written notice to Landlord's Mortgagee and provided Landlord's Mortgagee a reasonable opportunity to cure the event giving

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rise to such offset event. Landlord's Mortgagee shall have no liability or responsibility under or pursuant to the terms of this Lease or otherwise after it ceases to own an interest in the Project. Nothing in this Lease shall be construed to require Landlord's Mortgagee to see to the application of the proceeds of any loan, and Tenant's agreements set forth herein shall not be impaired on account of any modification of the documents evidencing and securing any loan.

12. **Rules and Regulations.** Tenant shall comply with the rules and regulations of the Project which are attached hereto as Exhibit E. Landlord may, from time to time, change such rules and regulations for the safety, care, or cleanliness of the Project and related facilities, provided that such changes are applicable to all tenants of the Project, will not unreasonably interfere with Tenant's use of the Premises and are enforced by Landlord in a non-discriminatory manner. Tenant shall be responsible for the compliance with such rules and regulations by each Tenant Party.

13. **Condemnation.**

(a) **Total Taking.** If the entire Project or Premises are taken by right of eminent domain or conveyed in lieu thereof (a "Taking"), this Lease shall terminate as of the date of the Taking.

(b) **Partial Taking - Tenant's Rights.** If any part of the Project or Premises becomes subject to a Taking and such Taking will prevent Tenant from conducting on a permanent basis its business in the Premises in a manner reasonably comparable to that conducted immediately before such Taking, then Tenant may terminate this Lease as of the date of such Taking by giving written notice to Landlord within 30 days after the Taking, and Minimum Rent and Additional Rent shall be apportioned as of the date of such Taking. If Tenant does not terminate this Lease, then Minimum Rent and Additional Rent shall be abated on a reasonable basis as to that portion of the Premises rendered untenable by the Taking.

(c) **Partial Taking - Landlord's Rights.** If any material portion, but less than all, of the Project becomes subject to a Taking, or if Landlord is required to pay any of the proceeds arising from a Taking to a Landlord's Mortgagee, then Landlord may terminate this Lease by delivering written notice thereof to Tenant within 30 days after such Taking, and Minimum Rent and Additional Rent shall be apportioned as of the date of such Taking. If Landlord does not so terminate this Lease, then this Lease will continue, but if any portion of the Premises has been taken, then Minimum Rent and Additional Rent shall abate as provided in the last sentence of Section 13(b).

(d) **Temporary Taking.** If all or any portion of the Premises becomes subject to a Taking for a limited period of time, this Lease shall remain in full force and effect and Tenant shall continue to perform all of the terms, conditions and covenants of this Lease, including the payment of Minimum Rent and all other amounts required hereunder. If any such temporary Taking terminates prior to the expiration of the Term, Tenant shall restore the Premises as nearly as possible to the condition prior to such temporary Taking, at Tenant's sole cost and expense. Landlord shall be entitled to receive the entire award for any such temporary Taking, except that Tenant shall be entitled to receive the portion of such award which (1) compensates Tenant for its loss of use of the Premises within the Term and (2) reimburses Tenant for the reasonable out-of-pocket costs actually incurred by Tenant to restore the Premises as required by this Section.

(e) **Award.** If any Taking occurs, then Landlord shall receive the entire award or other compensation for the land on which the Project is situated, the Project, and other improvements taken; however, Tenant may separately pursue a claim (to the extent it will not reduce Landlord's award) against the condemnor for the value of Tenant's personal property which Tenant is entitled to remove under this Lease, moving costs, loss of business, and other claims it may have.

14. **Fire or Other Casualty.**

(a) **Repair Estimate.** If the Premises or the Project are damaged by fire or other casualty (a "Casualty"), Landlord shall, within 90 days after such Casualty, deliver to Tenant a good faith estimate (the "Damage Notice") of the time needed to repair the damage caused by such Casualty.

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(b) **Tenant's Rights.** If a material portion of the Premises is damaged by Casualty such that Tenant is prevented from conducting its business in the Premises in a manner reasonably comparable to that conducted immediately before such Casualty and Landlord estimates that the damage caused thereby cannot be repaired within 270 days after the commencement of repairs (the "**Repair Period**"), then Tenant may terminate this Lease by delivering written notice to Landlord of its election to terminate within 30 days after the Damage Notice has been delivered to Tenant.

(c) **Landlord's Rights.** If a Casualty damages the Premises or a material portion of the Project and (1) Landlord estimates that the damage to the Premises cannot be repaired within the Repair Period, (2) the damage to the Premises exceeds 50% of the replacement cost thereof (excluding foundations and footings), as estimated by Landlord, and such damage occurs during the last two years of the Term, (3) regardless of the extent of damage to the Premises, the damage is not fully covered by Landlord's insurance policies or Landlord makes a good faith determination that restoring the Project would be uneconomical, or (4) Landlord is required to pay any insurance proceeds arising out of the Casualty to a Landlord's Mortgagee, then Landlord may terminate this Lease by giving written notice of its election to terminate within 30 days after the Damage Notice has been delivered to Tenant.

(d) **Repair Obligation.** If neither party elects to terminate this Lease following a Casualty, then Landlord shall, within a reasonable time after such Casualty, begin to repair the Premises and shall proceed with reasonable diligence to restore the Premises to substantially the same condition as they existed immediately before such Casualty; however, Landlord shall not be required to repair or replace any alterations or betterments within the Premises (which shall be promptly and with due diligence repaired and restored by Tenant at Tenant's sole cost and expense) or any furniture, equipment, trade fixtures or personal property of Tenant or others in the Premises or the Project, and Landlord's obligation to repair or restore the Premises shall be limited to the extent of the insurance proceeds actually received by Landlord for the Casualty in question. If this Lease is terminated under the provisions of this **Section 14**, Landlord shall be entitled to the full proceeds of the insurance policies providing coverage for all alterations, improvements and betterments in the Premises (and, if Tenant has failed to maintain insurance on such items as required by this Lease, Tenant shall pay Landlord an amount equal to the proceeds Landlord would have received had Tenant maintained insurance on such items as required by this Lease).

(e) **Continuance of Tenant's Business; Rental Abatement.** Tenant agrees that during any period of reconstruction or repair of the Premises it will continue the operation of its business within the Premises to the extent practicable, and Minimum Rent and Additional Rent for the portion of the Premises rendered untenable by the damage shall be abated on a reasonable basis from the date of damage until the completion of Landlord's repairs (or until the date of termination of this Lease by Landlord or Tenant as provided above, as the case may be), unless a Tenant Party caused such damage, in which case, Tenant shall continue to pay Rent without abatement.

15. **Taxes.**

(a) **Personal Property Taxes.** Tenant shall be liable for all taxes levied or assessed against personal property, furniture, or fixtures placed by Tenant in the Premises or in or on the Building or Project. If any taxes for which Tenant is liable are levied or assessed against Landlord or Landlord's property and Landlord elects to pay the same, or if the assessed value of Landlord's property is increased by inclusion of such personal property, furniture or fixtures and Landlord elects to pay the taxes based on such increase, then Tenant shall pay to Landlord, within 30 days following written request therefor, the part of such taxes for which Tenant is primarily liable hereunder; however, Landlord shall not pay such amount if Tenant notifies Landlord that it will contest the validity or amount of such taxes before Landlord makes such payment, and thereafter diligently proceeds with such contest in accordance with Law and if the non-payment thereof does not pose a threat of loss or seizure of the Project or interest of Landlord therein or impose any fee or penalty against Landlord.

(b) **Tax Payment.** Tenant shall pay its Proportionate Share of all taxes, assessments and governmental charges of any kind and nature whatsoever levied or assessed against the Project, and any other charges, taxes and/or impositions now in existence or hereafter imposed by any governmental authority based upon the privilege of renting the Premises or upon the amount of rent collected therefor (but not including income, inheritance, or franchise taxes), whether they be by taxing districts or authorities presently taxing the Project or by others subsequently created or otherwise (collectively, "**Taxes**"). Taxes shall also be deemed to include (i) any special taxing district assessment which is imposed in order to fund public facilities for the area in which the Project is located and

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(ii) the franchise tax set forth in V.T.C.A. Tax Code section 171.0001 et seq., as the same may be amended or recorded from time to time (the "**Franchise Tax**"). Taxes shall not include federal and state taxes on income; however, if the present method of taxation changes so that, in lieu of or in addition to the whole or any part of any Taxes, there is levied on Landlord a capital tax, sales tax, or use tax directly on the rents received, or a tax, assessment or charge based, in whole or in part, upon such rents for the Project (in addition to the Franchise Tax), then all such taxes, assessments and charges, or the part thereof so based, shall be deemed to be included within the term "Taxes" for purposes hereof. During each month of the Term, Tenant shall make a monthly payment to Landlord equal to 1/12 of its Proportionate Share of Taxes that will be due and payable for that particular year (the "**Tax Payments**"). Tenant authorizes Landlord to use the funds deposited with Landlord under this Section 15(b) to pay the Taxes levied or assessed against the Project. Each Tax Payment shall be due and payable at the same time as, and in the same manner as, the payment of Minimum Rent as provided herein. The initial monthly Tax Payment is based upon Landlord's good faith estimate of Tenant's Proportionate Share of Taxes for the fiscal tax year in which the Commencement Date is to occur. The monthly Tax Payment is subject to increase or decrease as determined by Landlord to reflect accurately Tenant's Proportionate Share of Taxes. If following Landlord's receipt of all Tax bills for any fiscal tax year, Landlord determines that Tenant's total Tax Payments for such period are less than Tenant's actual Proportionate Share of the Taxes, Tenant shall pay to Landlord the difference upon demand; if Tenant's total Tax Payments exceed Tenant's actual Proportionate Share of the Taxes, Landlord shall retain such excess and credit it to Tenant's future Tax Payments (unless such adjustment is at the end of the Term, in which event Landlord shall refund such excess to Tenant). Any payment to be made pursuant to this Section 15(b) with respect to the real estate tax year in which this Lease commences or terminates shall bear the same ratio to the payment that would be required to be made for the full tax year as that part of such tax year covered by the Term of this Lease bears to a full tax year. For property tax purposes, Tenant waives all rights to protest or appeal the appraised value of the Premises, as well as the Project, and all rights to receive notices of reappraisalment.

(c) **Tax Consultant; Contest of Taxes by Landlord.** Landlord shall have the right to employ a tax consulting firm to attempt to assure a fair tax burden on the Project. Tenant shall pay to Landlord upon demand from time to time, as Additional Rent, Tenant's Proportionate Share of the cost of such service. Additionally, Landlord shall have the right to contest any tax assessment, valuation or levy against the Project, and to retain legal counsel and expert witnesses to assist in such contest and otherwise to incur expenses in such contest, and Tenant shall pay upon demand Tenant's Proportionate Share of any fees, expenses and costs incurred by Landlord in contesting any assessments, levies or tax rate applicable to the Project or portions thereof whether or not such contest is successful. If such contest results in a refund of Taxes in any year, Tenant shall be entitled to receive its Proportionate Share of such refund, pro-rated for the period with respect to which Tenant paid its share of Taxes for such year, after deducting from the refund all fees, expenses and costs incurred by Landlord in such contest.

(d) **Tax Exemption.** Landlord acknowledges that the entity executing this Lease as Tenant (the "**Original Tenant**") is a tax-exempt local government, and notwithstanding the foregoing or anything in this Lease to the contrary, Sections 15(b) and (c) shall not be applicable to the Original Tenant. In the event of a Transfer to which Landlord consents in accordance with Section 9, Original Tenant's transferee shall be subject to the requirements of Sections 15(b) and (c).

16. **Events of Default.** Each of the following occurrences shall be an "**Event of Default**":

(a) **Payment Default.** Tenant's failure to pay Rent within five days after Landlord has delivered written notice to Tenant that the same is due; however, an Event of Default shall occur hereunder without any obligation of Landlord to give any notice if Tenant fails to pay Rent when due and, during the 12 month interval preceding such failure, Landlord has given Tenant written notice of failure to pay Rent on one or more occasions.

(b) **Abandonment.** Tenant abandons or vacates the Premises or any substantial portion thereof.

(c) **Attachment.** If any execution, levy, attachment, or other process of law shall occur upon Tenant's goods, fixtures or interest in the Premises.

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(d) **Estoppel.** Tenant fails to provide any estoppel certificate after Landlord's written request therefor pursuant to Section 24(e) and such failure shall continue for five days after Landlord's second written notice thereof to Tenant.

(e) **Insurance.** Tenant fails to procure, maintain and deliver to Landlord evidence of the insurance policies and coverages as required under Section 10(a).

(f) **Mechanic's Liens.** Tenant fails to pay and release of record, or diligently contest and bond around, any mechanic's lien filed against the Premises or the Project for any work performed, materials furnished or obligation incurred by or at the request of Tenant, within the time and in the manner required by Section 7(d).

(g) **Other Defaults.** Tenant's failure to perform, comply with, or observe any other agreement or obligation of Tenant under this Lease and the continuance of such failure for a period of more than 30 days after Landlord has delivered to Tenant written notice thereof.

(h) **Insolvency.** The filing of a petition by or against Tenant (the term "Tenant" shall include, for the purpose of this Section 16(h), any guarantor of Tenant's obligations hereunder) (1) in any bankruptcy or other insolvency proceeding; (2) seeking any relief under any state or federal debtor relief law; (3) for the appointment of a liquidator or receiver for all or substantially all of Tenant's property or for Tenant's interest in this Lease; (4) for the reorganization or modification of Tenant's capital structure; or (5) in any assignment for the benefit of creditors proceeding; however, if such a petition is filed against Tenant, then such filing shall not be an Event of Default unless Tenant fails to have the proceedings initiated by such petition dismissed within 90 days after the filing thereof.

17. **Remedies.** Upon any Event of Default, Landlord may, in addition to all other rights and remedies afforded Landlord hereunder or by law or equity, take any one or more of the following actions:

(a) **Termination of Lease.** Terminate this Lease by giving Tenant written notice thereof, in which event Tenant shall pay to Landlord the sum of (1) all Rent accrued hereunder through the date of termination, (2) all amounts due under Section 18(a), and (3) an amount equal to (A) the total Rent that Tenant would have been required to pay for the remainder of the Term discounted to present value at a per annum rate equal to the "Prime Rate" as published on the date this Lease is terminated by The Wall Street Journal, Southwest Edition, in its listing of "Money Rates" minus one percent, minus (B) the then present fair rental value of the Premises for such period, similarly discounted;

(b) **Termination of Possession.** Terminate Tenant's right to possess the Premises without terminating this Lease by giving written notice thereof to Tenant, in which event Tenant shall pay to Landlord (1) all Rent and other amounts accrued hereunder to the date of termination of possession, (2) all amounts due from time to time under Section 18(a), and (3) all Rent and other net sums required hereunder to be paid by Tenant during the remainder of the Term, diminished by any net sums thereafter received by Landlord through reletting the Premises during such period, after deducting all costs incurred by Landlord in reletting the Premises. If Landlord elects to proceed under this Section 17(b), Landlord may remove all of Tenant's property from the Premises and store the same in a public warehouse or elsewhere at the cost of, and for the account of, Tenant, without becoming liable for any loss or damage which may be occasioned thereby. Landlord shall use reasonable efforts to relet the Premises on such terms as Landlord in its sole discretion may determine (including a term different from the Term, rental concessions, and alterations to, and improvement of, the Premises); however, Landlord shall not be obligated to relet the Premises before leasing other portions of the Building or Project and Landlord shall not be obligated to accept any prospective tenant proposed by Tenant unless such proposed tenant meets all of Landlord's leasing criteria. Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished because of, Landlord's failure to relet the Premises or to collect rent due for such reletting. Tenant shall not be entitled to the excess of any consideration obtained by reletting over the Rent due hereunder. Reentry by Landlord in the Premises shall not affect Tenant's obligations hereunder for the unexpired Term; rather, Landlord may, from time to time, bring an action against Tenant to collect amounts due by Tenant, without the necessity of Landlord's waiting until the expiration of the Term. Unless Landlord delivers written notice to Tenant expressly stating that it has elected to terminate this Lease, all actions taken by Landlord to dispossess or exclude Tenant from the Premises shall be deemed to be taken under this Section 17(b). If Landlord elects to proceed under this Section 17(b), it may at any time elect to terminate this Lease under Section 17(a);

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(c) **Perform Acts on Behalf of Tenant.** Perform any act Tenant is obligated to perform under the terms of this Lease (and enter upon the Premises in connection therewith if necessary) in Tenant's name and on Tenant's behalf, without being liable for any claim for damages therefor, and Tenant shall reimburse Landlord on demand for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease (including, but not limited to, collection costs and legal expenses), plus interest thereon at the Default Rate;

(d) **Suspension of Services.** Suspend any services required to be provided by Landlord hereunder without being liable for any claim for damages therefor; or

(e) **Alteration of Locks.** Additionally, with or without notice, and to the extent permitted by Law, Landlord may alter locks or other security devices at the Premises to deprive Tenant of access thereto, and Landlord shall not be required to provide a new key or right of access to Tenant.

18. **Payment by Tenant; Non-Waiver; Cumulative Remedies.**

(a) **Payment by Tenant.** Upon any Event of Default, Tenant shall pay to Landlord all costs incurred by Landlord (including court costs and reasonable attorneys' fees and expenses) in (1) obtaining possession of the Premises, (2) removing and storing Tenant's or any other occupant's property, (3) repairing, restoring, altering, remodeling, or otherwise putting the Premises into the same condition as they were upon delivery of possession to Tenant hereunder, reasonable wear and tear excepted, (4) if Tenant is dispossessed of the Premises and this Lease is not terminated, reletting all or any part of the Premises (including brokerage commissions, cost of tenant finish work, and other costs incidental to such reletting), (5) performing Tenant's obligations which Tenant failed to perform, and (6) enforcing, or advising Landlord of, its rights, remedies, and recourses arising out of the default. To the full extent permitted by law, Landlord and Tenant agree the federal and state courts of the state in which the Project is located shall have exclusive jurisdiction over any matter relating to or arising from this Lease and the parties' rights and obligations under this Lease.

(b) **No Waiver.** Landlord's acceptance of Rent following an Event of Default shall not waive Landlord's rights regarding such Event of Default. No waiver by Landlord of any violation or breach of any of the terms contained herein shall waive Landlord's rights regarding any future violation of such term. Landlord's acceptance of any partial payment of Rent shall not waive Landlord's rights with regard to the remaining portion of the Rent that is due, regardless of any endorsement or other statement on any instrument delivered in payment of Rent or any writing delivered in connection therewith; accordingly, Landlord's acceptance of a partial payment of Rent shall not constitute an accord and satisfaction of the full amount of the Rent that is due.

(c) **Cumulative Remedies.** Any and all remedies set forth in this Lease: (1) shall be in addition to any and all other remedies Landlord may have at law or in equity, (2) shall be cumulative, and (3) may be pursued successively or concurrently as Landlord may elect. The exercise of any remedy by Landlord shall not be deemed an election of remedies or preclude Landlord from exercising any other remedies in the future. Additionally, Tenant shall defend, indemnify and hold harmless Landlord, Landlord's Mortgagee and their respective representatives and agents from and against all claims, demands, liabilities, causes of action, suits, judgments, damages and expenses (including reasonable attorneys' fees) arising from Tenant's failure to perform its obligations under this Lease.

19. **Intentionally Deleted.**

20. **Surrender of Premises.** No act by Landlord shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises shall be valid unless it is in writing and signed by Landlord. At the expiration or termination of this Lease, Tenant shall deliver to Landlord the Premises with all improvements located therein in good repair and condition, free of Hazardous Materials placed on the Premises during the Term, broom-clean, reasonable wear and tear (and condemnation and Casualty damage not caused by Tenant, as to which Sections 13 and 14 shall control) excepted, and shall deliver to Landlord all keys to the Premises. Provided that Tenant has performed all of its obligations hereunder, Tenant may remove all unattached trade fixtures (which, for purposes of this sentence, shall not include carpeting, floor coverings, attached shelving, lighting fixtures, wall coverings, or similar improvements), furniture, and personal property placed in the Premises or elsewhere in the Project by Tenant (but Tenant may not remove any such item which was paid for, in whole or in part, by Landlord or any wiring or cabling unless Landlord requires such removal). Additionally, at Landlord's option, Tenant shall remove

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such alterations, additions, improvements, trade fixtures, personal property, signs, equipment, wiring, conduits, cabling and furniture (including Tenant's Off-Premises Equipment) as Landlord may request; however, Tenant shall not be required to remove any addition or improvement to the Premises or the Project if Landlord has specifically agreed in writing that the improvement or addition in question need not be removed. Tenant shall repair all damage caused by such removal. All items not so removed shall, at Landlord's option, be deemed to have been abandoned by Tenant and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Landlord without notice to Tenant and without any obligation to account for such items; any such disposition shall not be considered a strict foreclosure or other exercise of Landlord's rights in respect of the security interest granted under Section 19. The provisions of this Section 20 shall survive the end of the Term.

21. **Holding Over.** If Tenant fails to vacate the Premises at the end of the Term, then Tenant shall be a tenant at sufferance and, in addition to all other damages and remedies to which Landlord may be entitled for such holding over, (a) Tenant shall pay, in addition to the other Rent, Minimum Rent equal to 150% of the Rent payable during the last month of the Term, and (b) Tenant shall otherwise continue to be subject to all of Tenant's obligations under this Lease. The provisions of this Section 21 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including any claims made by any succeeding tenant founded upon such failure to surrender, and any lost profits to Landlord resulting therefrom.

22. **Certain Rights Reserved by Landlord.** Provided that the exercise of such rights does not unreasonably interfere with Tenant's occupancy of the Premises, Landlord shall have the following rights:

(a) **Project Operations.** To decorate and to make inspections, repairs, alterations, additions, changes, or improvements, whether structural or otherwise, in and about the Project, or any part thereof; to enter upon the Premises (after giving Tenant reasonable notice thereof, which may be oral notice, except in cases of real or apparent emergency, in which case no notice shall be required) and, during the continuance of any such work, to temporarily close doors, entryways, public space, and corridors in the Project; to interrupt or temporarily suspend Project services and facilities; to change the name of the Project; and to change the arrangement and location of entrances or passageways, doors, and doorways, corridors, elevators, stairs, restrooms, or other public parts of the Project;

(b) **Security.** To take such reasonable measures as Landlord deems advisable for the security of the Project and its occupants; evacuating the Project for cause, suspected cause, or for drill purposes; temporarily denying access to the Project; and closing the Project after normal business hours and on Sundays and holidays, subject, however, to Tenant's right to enter when the Project is closed after normal business hours under such reasonable regulations as Landlord may prescribe from time to time;

(c) **Prospective Purchasers and Lenders.** To enter the Premises at all reasonable hours to show the Premises to prospective purchasers or lenders; and

(d) **Prospective Tenants.** At any time during the last 12 months of the Term (or earlier if Tenant has notified Landlord in writing that it does not desire to renew the Term) or at any time following the occurrence of an Event of Default, to enter the Premises at all reasonable hours to show the Premises to prospective tenants.

23. **Substitution Space.** Landlord may, at Landlord's expense, relocate Tenant within the Project to space which is comparable in size, utility and condition to the Premises. If Landlord relocates Tenant, Landlord shall reimburse Tenant for Tenant's reasonable out-of-pocket expenses for moving Tenant's furniture, equipment, and supplies from the Premises to the relocation space and for reprinting Tenant's stationery of the same quality and quantity as Tenant's stationery supply on hand immediately before Landlord's notice to Tenant of the exercise of this relocation right. Upon such relocation, Landlord's depiction of the relocation space shall be substituted as Exhibit A hereto and such relocation space shall be deemed to be the Premises and the terms of this Lease shall remain in full force and shall apply to the relocation space. No amendment or other instrument shall be necessary to effectuate the relocation contemplated by this Section; however, if requested by Landlord, Tenant shall execute an appropriate

EXHIBIT A

amendment document within ten business days after Landlord's written request therefor. If Tenant fails to execute such relocation amendment within such time period, or if Tenant fails to relocate within the time period stated in Landlord's relocation notice to Tenant (or, if such relocation space is not available on the date specified in Landlord's relocation notice, as soon thereafter as the relocation space becomes available and is tendered to Tenant in the condition required by this Lease), then, in addition to Landlord's other remedies set forth in this Lease, at law and/or in equity, Landlord may terminate this Lease by notifying Tenant in writing thereof at least 60 days prior to the termination date contained in Landlord's termination notice. Time is of the essence with respect to Tenant's obligations under this Section.

24. Miscellaneous.

(a) **Landlord Transfer.** Landlord may transfer any portion of the Project and any of its rights under this Lease. If Landlord assigns its rights under this Lease, then Landlord shall thereby be released from any further obligations hereunder arising after the date of transfer, provided that the assignee assumes in writing Landlord's obligations hereunder arising from and after the transfer date.

(b) **Landlord's Liability.** The liability of Landlord (and its partners, shareholders or members) to Tenant (or any person or entity claiming by, through or under Tenant) for any default by Landlord under the terms of this Lease or any matter relating to or arising out of the occupancy or use of the Premises and/or other areas of the Project (including the Common Area) shall be limited to Tenant's actual direct, but not consequential, damages therefor and shall be recoverable only from the interest of Landlord in the Project, and Landlord (and its partners, shareholders or members) shall not be personally liable for any deficiency. The provisions of this Section shall survive any expiration or termination of this Lease. Additionally, Tenant hereby waives its statutory lien under Section 91.004 of the Texas Property Code.

(c) **Force Majeure.** Other than for Tenant's obligations under this Lease that can be performed by the payment of money (e.g., payment of Rent and maintenance of insurance), whenever a period of time is herein prescribed for action to be taken by either party hereto, such party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, terrorist acts or activities, governmental laws, regulations, or restrictions, quarantine or mandatory closure order enacted in response to a pandemic or other public health crises, or any other causes of any kind whatsoever which are beyond the control of such party and not attributable to its malfeasance, neglect or nonfeasance (each an event of "**Force Majeure**"), provided, that the party complies with the provisions of this paragraph. Specifically, the party asserting Force Majeure 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.

(d) **Brokerage.** Neither Landlord nor Tenant has dealt with any broker or agent in connection with the negotiation or execution of this Lease, other than Bradford Commercial Real Estate Services, whose commission shall be paid by Landlord pursuant to a separate written agreement. Tenant and Landlord shall each indemnify the other against all costs, expenses, attorneys' fees, liens and other liability for commissions or other compensation claimed by any other broker or agent claiming the same by, through, or under the indemnifying party.

(e) **Estoppel Certificates.** From time to time, Tenant shall furnish to any party designated by Landlord, within ten days after Landlord has made a request therefor, a certificate signed by Tenant confirming and containing such factual certifications and representations as to this Lease as Landlord may reasonably request. Unless otherwise required by Landlord's Mortgagee or a prospective purchaser or mortgagee of the Project, the initial form of estoppel certificate to be signed by Tenant is attached hereto as **Exhibit G**. If Tenant does not deliver to Landlord the certificate signed by Tenant within such required time period, Landlord, Landlord's Mortgagee and any prospective purchaser or mortgagee, may conclusively presume and rely upon the following facts: (1) this Lease is in full force and effect; (2) the terms and provisions of this Lease have not been changed except as otherwise represented by Landlord; (3) not more than one monthly installment of Minimum Rent and other charges have been paid in advance; (4) there are no claims against Landlord nor any defenses or rights of offset against collection of Rent or other charges; and (5) Landlord is not in default under this Lease. In such event, Tenant shall be estopped from denying the truth of the presumed facts.

EXHIBIT A

(f) **Notices.** All notices and other communications given pursuant to this Lease shall be in writing and shall be (1) mailed by first class, United States Mail, postage prepaid, certified, with return receipt requested, and addressed to the parties hereto at the address specified in the Basic Lease Information, (2) hand delivered to the intended addressee, (3) sent by a nationally recognized overnight courier service, or (4) sent by facsimile transmission during normal business hours followed by a confirmatory letter sent in another manner permitted hereunder. All notices shall be effective upon delivery to the address of the addressee (even if such addressee refuses delivery thereof). The parties hereto may change their addresses by giving notice thereof to the other in conformity with this provision.

(g) **Severability.** If any clause or provision of this Lease is illegal, invalid, or unenforceable under present or future laws, then the remainder of this Lease shall not be affected thereby and in lieu of such clause or provision, there shall be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.

(h) **Amendments; Binding Effect; No Electronic Records.** This Lease may not be amended except by instrument in writing signed by Landlord and Tenant. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver is in writing signed by Landlord, and no custom or practice which may evolve between the parties in the administration of the terms hereof shall waive or diminish the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms hereof. The terms and conditions contained in this Lease shall inure to the benefit of and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as otherwise herein expressly provided. This Lease is for the sole benefit of Landlord and Tenant, and, other than Landlord's Mortgagee, no third party shall be deemed a third party beneficiary hereof.

(i) **Quiet Enjoyment.** Provided Tenant has performed all of its obligations hereunder, Tenant shall peaceably and quietly hold and enjoy the Premises for the Term, without hindrance from Landlord or any party claiming by, through, or under Landlord, but not otherwise, subject to the terms and conditions of this Lease.

(j) **No Merger.** There shall be no merger of the leasehold estate hereby created with the fee estate in the Premises or any part thereof if the same person acquires or holds, directly or indirectly, this Lease or any interest in this Lease and the fee estate in the leasehold Premises or any interest in such fee estate.

(k) **No Offer.** The submission of this Lease to Tenant shall not be construed as an offer, and Tenant shall not have any rights under this Lease unless Landlord executes a copy of this Lease and delivers it to Tenant.

(l) **Entire Agreement.** This Lease constitutes the entire agreement between Landlord and Tenant regarding the subject matter hereof and supersedes all oral statements and prior writings relating thereto. Except for those set forth in this Lease, no representations, warranties, or agreements have been made by Landlord or Tenant to the other with respect to this Lease or the obligations of Landlord or Tenant in connection therewith. The normal rule of construction that any ambiguities be resolved against the drafting party shall not apply to the interpretation of this Lease or any exhibits or amendments hereto.

(m) **Waiver of Jury Trial.** **TO THE MAXIMUM EXTENT PERMITTED BY LAW, LANDLORD AND TENANT EACH WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY LITIGATION OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE ARISING OUT OF OR WITH RESPECT TO THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED HERETO.**

(n) **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the state in which the Premises are located.

(o) **Recording.** Tenant shall not record this Lease or any memorandum of this Lease without the prior written consent of Landlord, which consent may be withheld or denied in the sole and absolute discretion of

EXHIBIT A

Landlord and any recordation by Tenant shall be a material breach of this Lease. Tenant grants to Landlord a power of attorney to execute and record a release releasing any such recorded instrument of record that was recorded without the prior written consent of Landlord.

(p) **Water or Mold Notification.** To the extent Tenant or its agents or employees discover any water leakage, water damage or mold in or about the Premises or Project, Tenant shall promptly notify Landlord thereof in writing.

(q) **Joint and Several Liability.** If Tenant is comprised of more than one party, each such party shall be jointly and severally liable for Tenant's obligations under this Lease. All unperformed obligations of Tenant hereunder not fully performed at the end of the Term shall survive the end of the Term, including payment obligations with respect to Rent and all obligations concerning the condition and repair of the Premises.

(r) **Financial Reports.** Within 15 days after Landlord's request, Tenant will furnish Tenant's most recent audited financial statements (including any notes to them) to Landlord, or, if no such audited statements have been prepared, such other financial statements (and notes to them) as may have been prepared by an independent certified public accountant or, failing those, Tenant's internally prepared financial statements. If Tenant is a publicly traded corporation, Tenant may satisfy its obligations hereunder by providing to Landlord Tenant's most recent annual and quarterly reports. Landlord will not disclose any aspect of Tenant's financial statements that Tenant designates to Landlord as confidential except (1) to Landlord's Mortgagee or prospective mortgagees or purchasers of the Project, (2) in litigation between Landlord and Tenant, and/or (3) if required by court order. Tenant shall not be required to deliver the financial statements required under this Section 24(r) more than once in any 12-month period unless requested by Landlord's Mortgagee or a prospective buyer or lender of the Project or an Event of Default occurs.

(s) **Landlord's Fees.** Whenever Tenant requests Landlord to take any action not required of it hereunder or give any consent required or permitted under this Lease, Tenant will reimburse Landlord for Landlord's reasonable, out-of-pocket costs payable to third parties and incurred by Landlord in reviewing the proposed action or consent, including reasonable attorneys', engineers' or architects' fees, within ten days after Landlord's delivery to Tenant of a statement of such costs. Tenant will be obligated to make such reimbursement without regard to whether Landlord consents to any such proposed action.

(t) **Telecommunications.** Tenant and its telecommunications companies, including local exchange telecommunications companies and alternative access vendor services companies, shall have no right of access to and within the Project, for the installation and operation of telecommunications systems, including voice, video, data, Internet, and any other services provided over wire, fiber optic, microwave, wireless, and any other transmission systems ("**Telecommunications Services**"), for part or all of Tenant's telecommunications within the Project and from the Project to any other location without Landlord's prior written consent. All providers of Telecommunications Services shall be required to comply with the rules and regulations of the Project, applicable Laws and Landlord's policies and practices for the Project. Tenant acknowledges that Landlord shall not be required to provide or arrange for any Telecommunications Services and that Landlord shall have no liability to any Tenant Party in connection with the installation, operation or maintenance of Telecommunications Services or any equipment or facilities relating thereto. Tenant, at its cost and for its own account, shall be solely responsible for obtaining all Telecommunications Services.

(u) **Intentionally Deleted.**

(v) **Authority.** Tenant (if a corporation, partnership or other business entity) hereby represents and warrants to Landlord that Tenant is a duly formed and existing entity qualified to do business in the state in which the Premises are located, that Tenant has full right and authority to execute and deliver this Lease, and that each person signing on behalf of Tenant is authorized to do so, and that Tenant's organizational identification number assigned by the Texas Secretary of State is listed on the signature page of this Lease. Landlord hereby represents and warrants to Tenant that Landlord is a duly formed and existing entity qualified to do business in the state in which the Premises are located, that Landlord has full right and authority to execute and deliver this Lease, and that each person signing on behalf of Landlord is authorized to do so.

EXHIBIT A

(w) **Hazardous Materials.** The term "**Hazardous Materials**" means any substance, material, or waste which is now or hereafter classified or considered to be hazardous, toxic, or dangerous under any Law relating to pollution or the protection or regulation of human health, natural resources or the environment, or poses or threatens to pose a hazard to the health or safety of persons on the Premises or in the Project. Tenant shall not use, generate, store, or dispose of, or permit the use, generation, storage or disposal of Hazardous Materials on or about the Premises or the Project except in a manner and quantity necessary for the ordinary performance of Tenant's business, and then in compliance with all Laws. If Tenant breaches its obligations under this Section 24(w), Landlord may immediately take any and all action reasonably appropriate to remedy the same, including taking all appropriate action to clean up or remediate any contamination resulting from Tenant's use, generation, storage or disposal of Hazardous Materials. Notwithstanding anything contained in Section 10(d), Tenant shall defend, indemnify, and hold harmless Landlord and its representatives and agents from and against any and all claims, demands, liabilities, causes of action, suits, judgments, damages and expenses (including reasonable attorneys' fees and cost of clean-up and remediation) arising from Tenant's failure to comply with the provisions of this Section 24(w). This indemnity provision shall survive termination or expiration of this Lease.

(x) **List of Exhibits.** All exhibits and attachments attached hereto are incorporated herein by this reference.

Exhibit A -	Outline of Premises
Exhibit B -	Description of the Land
Exhibit C -	Common Area Costs
Exhibit D -	Tenant Finish-Work
Exhibit E -	Project Rules and Regulations
Exhibit F -	Form of Confirmation of Commencement Date Letter
Exhibit G -	Form of Tenant Estoppel Certificate
Exhibit H -	<i>Reserved</i>
Exhibit I -	<i>Reserved</i>
Exhibit J -	Sign Criteria
Exhibit K -	HVAC Policy

(y) **Determination of Charges.** Landlord and Tenant agree that each provision of this Lease for determining charges and amounts payable by Tenant (including provisions regarding Additional Rent and Tenant's Proportionate Share of Taxes and Electrical Costs) is commercially reasonable and, as to each such charge or amount, constitutes a statement of the amount of the charge or a method by which the charge is to be computed for purposes of Section 93.012 of the Texas Property Code.

(z) **Prohibited Persons and Transactions.** Tenant represents and warrants to Landlord that Tenant is currently in compliance with and shall at all times during the Term (including any extension thereof) remain in compliance with the regulations of the OFAC of the Department of the Treasury (including those named on OFAC's Specially Designated Nationals and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism), or other governmental action relating thereto.

(aa) **No Invasive Testing.** Tenant shall not undertake, nor shall Tenant permit any Tenant Party to undertake, any invasive investigation, drilling or sampling of the soil or groundwater at the Project without the prior written consent of Landlord, which consent shall be in Landlord's sole discretion.

(bb) **Counterparts; Electronic Signature.** This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which shall constitute one document. This Lease may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. For these purposes, "electronic signature" shall mean electronically scanned and transmitted versions (e.g., via pdf file) of an original signature, signatures electronically inserted and verified by software such as DocuSign, or faxed versions of an original signature.

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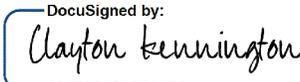
EXHIBIT A

LANDLORD AND TENANT EXPRESSLY DISCLAIM ANY IMPLIED WARRANTY THAT THE PREMISES ARE SUITABLE FOR TENANT'S INTENDED COMMERCIAL PURPOSE, AND TENANT'S OBLIGATION TO PAY RENT HEREUNDER IS NOT DEPENDENT UPON THE CONDITION OF THE PREMISES OR THE PERFORMANCE BY LANDLORD OF ITS OBLIGATIONS HEREUNDER, AND, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, TENANT SHALL CONTINUE TO PAY THE RENT, WITHOUT ABATEMENT, DEMAND, SETOFF OR DEDUCTION, NOTWITHSTANDING ANY BREACH BY LANDLORD OF ITS DUTIES OR OBLIGATIONS HEREUNDER, WHETHER EXPRESS OR IMPLIED.

This Lease is executed on the respective dates set forth below, but for reference purposes, this Lease shall be dated as of the date first above written. If the execution date is left blank, this Lease shall be deemed executed as of the date first written above.

LANDLORD:

KENNINGTON PARKWAY, LTD.,
a Texas limited partnership,
d/b/a Kennington Commercial

By:  _____
1B55AE45A9C84E8...
Clayton Kennington,
Authorized Representative

Execution Date: 2/13/2023

TENANT:

TOWN OF ADDISON, TEXAS,
a home rule municipal corporation of the State of Texas

By: _____
Name: David Gaines
Title: City Manager

Execution Date: _____

EXHIBIT A

EXHIBIT A

OUTLINE OF PREMISES

This Exhibit is attached to this Lease solely for the purpose of locating the Premises within the Project and depicting the general layout of the Project and shall not be deemed to be a representation, warranty or agreement by Landlord as to any information shown hereon or that the Project or stores be exactly as indicated hereon. The Premises are shaded in blue in the site plan below.

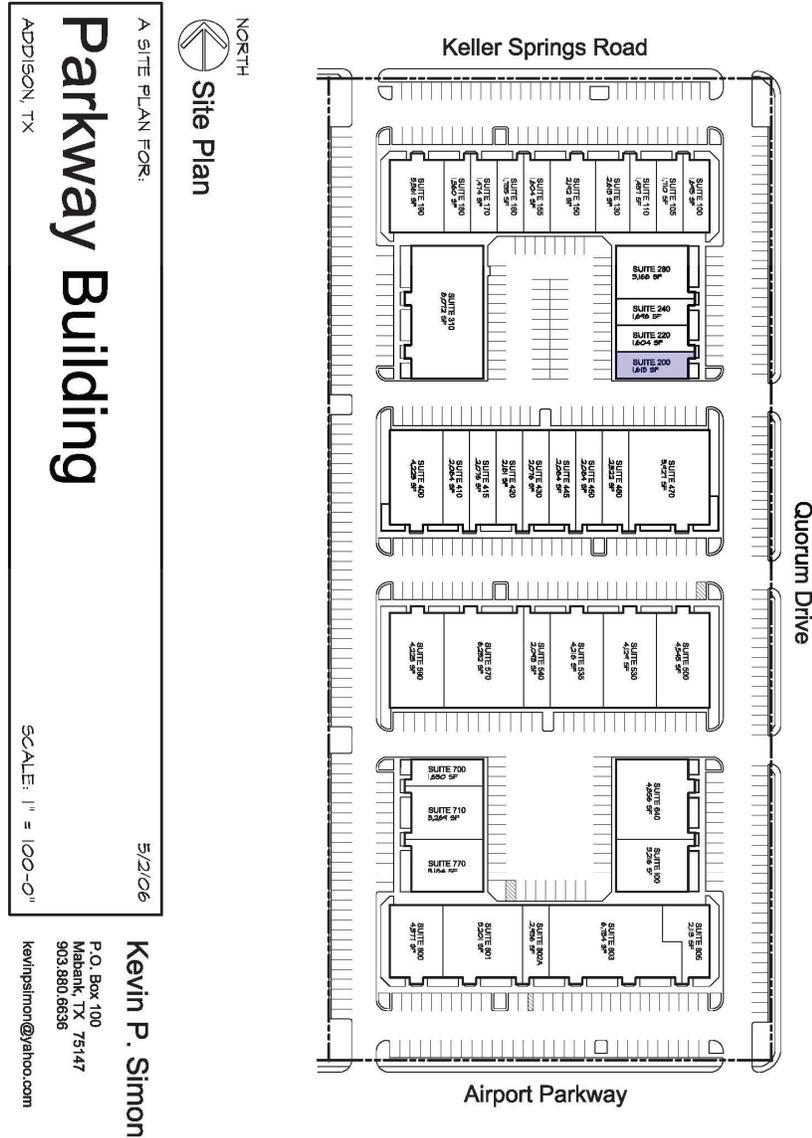


EXHIBIT A

EXHIBIT B

DESCRIPTION OF THE LAND

Being a 355,960 square feet or a 8.1717 acre tract of land situated in the G. W. Fisher Survey, Abstract No. 482, Dallas County, Texas and being all of Lot 1, Block A of Parkway Business Center I, an addition to the Town of Addison, Dallas County, Texas according to the map thereof recorded in Volume 81237, Page 1939, Map Records of Dallas County, Texas, said tract conveyed to Kennington No. 1 Limited Partnership by deed recorded in Volume 95096, Page 861, Deed Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a found "x" cut on concrete for a corner at the intersection of the west line of Quorum Drive (an 80 foot right of way) with the north line of Airport Parkway (a 55 foot right of way), said point being the southeast corner of said Parkway Business Center I;

THENCE, N 89° 37' 15" W, with the north line of Airport Parkway, a distance 400.00 feet to a found 1/2 inch iron rod for a corner, said point being the southwest corner of said Parkway Business Center I and said point being the southeast corner Lot 1 of Federal Express Addition as conveyed to HRC Ranch, Ltd. by deed recorded in Volume 98167, Page 2422, Deed Records of Dallas County, Texas;

THENCE, N 00° 22' 45" E, departing the north line of Airport Parkway and with the west line of said Parkway Business Center I and the east line of said Lot 1 Federal Express Addition, passing at a called distance of 566.0 feet the northeast corner of said Lot 1, Federal Express Addition and the southeast corner of Lot 1, Block A of Addison Road Keller Springs Road Addition as conveyed to Tritex Management LP by deed recorded in Volume 2004075, Page 11876, Deed Records of Dallas County, Texas, continuing in all a distance of 889.90 feet to a found 1/2 inch iron rod for a corner in the south line of Keller Springs Road (a 60 foot right of way), said point being the northwest corner of said Parkway Business Center I;

THENCE, S 89° 37' 15" E, with the south line of Keller Springs Road, a distance of 400.00 feet to a found "x" on concrete for a corner at the intersection of the south line of Keller Springs Road with the west line of Quorum Drive, said point being the northeast corner of said Parkway Business Center I;

THENCE, S 00° 22' 45" W, with the west line of Quorum Drive, a distance of 889.90 feet to the Point of Beginning.

EXHIBIT A

EXHIBIT C

COMMON AREA COSTS

1. All expenses related to the ownership, operation, maintenance, management (including management fees), equipping, repair or security of the Project, including salaries, taxes (if applicable), insurance, and employee benefits;
2. All supplies and materials used in the operation, maintenance or repair of the Project, including any exterior landscaping and holiday decorations;
3. Costs of utilities for the Common Area of the Project, including the cost of water and power for heating, lighting, air conditioning and ventilating, and operating fountains;
4. All expenses related to the repair, service, or maintenance of the Project and the equipment therein, including roof repairs and replacement, window cleaning, plumbing and electrical repair, HVAC and sprinkler system maintenance and repair, signage maintenance and repair, pest control, plate glass repair and replacement, elevator maintenance and janitorial service;
5. All capital expenditures related to the ownership, operation, maintenance and repair of the Project, including those incurred to effect a reduction in the operating expenses of the Project or which relate to a capital item installed pursuant to any Law, reserves for replacement of capital items and depreciation of machinery and equipment used in connection with the Project and its maintenance; and
6. Costs of cleaning, landscaping, snow and ice removal, painting, policing, providing security (if Landlord elects to provide security), fire protection, drainage, striping, repair and replacement of parking surfaces, and of complying with Laws enacted or effective after the date hereof (or interpretations hereafter rendered with respect to any existing Law).

EXHIBIT A

EXHIBIT D

TENANT FINISH-WORK: WORK OF LIMITED SCOPE (NO PLANS)

(Landlord Performs the Work)

1. **Acceptance of Premises.** Except as set forth in this Exhibit, Tenant accepts the Premises in their "AS-IS" condition on the date that this Lease is entered into.

2. **Scope of Work.** Landlord at its expense, but not to exceed \$32,000.00, shall perform the following work in the Premises according to such standards and using such types and quantities of materials as Landlord deems standard for the Project, as depicted on *Schedule 1* (the "**Work**"):

- Construct a conference room within the Premises to include new walls, flooring, lights, door, drop ceiling and HVAC system.
- Paint all walls throughout the Premises.
- Clean all floors throughout the Premises.
- Patch the hole in the wall in Office #3 of the Premises.
- Replace any missing cove base in the Premises.

3. **Performance of Work.** Tenant acknowledges that Landlord may perform the Work in the Premises during normal business hours following the Commencement Date, and that the Work may result in noise, vibration, dirt, dust, odors, and other circumstances commonly associated with construction work. Landlord and Tenant agree to cooperate with each other in order to enable the Work to be performed in a timely manner and with as little inconvenience to the operation of Tenant's business as is reasonably possible. Notwithstanding anything herein to the contrary, any inconvenience suffered by Tenant during the performance thereof shall not subject Landlord to any liability for any loss or damage resulting therefrom, or constitute an eviction (actual or constructive), or entitle Tenant to any credit, abatement or adjustment of Rent or other sums payable under the Lease.

4. **Definitions.** As used herein "**Substantial Completion,**" "**Substantially Completed,**" and any derivations thereof mean the Work in the Premises is substantially completed (as reasonably determined by Landlord). Substantial Completion shall have occurred even though minor details of construction, decoration, landscaping and mechanical adjustments remain to be completed.

5. **Payment of Work.** Contemporaneously with the execution of this Lease, Tenant shall pay to Landlord the sum of \$6,000.00 to be applied to the cost of performing the Work. In the event the Work exceeds \$32,000.00, such excess costs shall be paid solely by Tenant. Upon Substantial Completion of the Work and before Tenant occupies the Premises to conduct business therein, Tenant shall pay to Landlord an amount equal to the excess costs. In the event of default of payment of such excess costs, Landlord (in addition to all other remedies) shall have the same rights as for an Event of Default under this Lease.

EXHIBIT A

Schedule 1

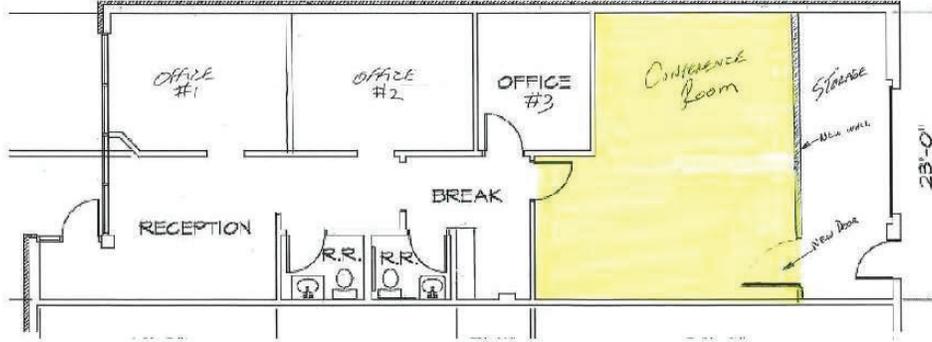


EXHIBIT A

EXHIBIT E

PROJECT RULES AND REGULATIONS

The following rules and regulations shall apply to Tenant's use of Premises and the Project, and the appurtenances thereto:

1. Tenant shall not at any time occupy any part of the Building as sleeping or lodging quarters.
2. Tenant shall not place or use in or about Premises any explosives, gasoline, kerosene, oil, acids, caustics or any other inflammable, explosive or hazardous material without prior written consent of Landlord.
3. Landlord will not be responsible for lost or stolen personal property, equipment, money or jewelry from Tenant's area or public rooms regardless of whether such loss occurs when area is locked against entry or not.
4. No fowl or animals shall be brought in or about the Building.
5. Landlord will not permit entrance to Tenant's offices by use of pass key controlled by Landlord to any person at any time without written permission by Tenant, except employees, contractors or service personnel directly supervised or employed by Landlord.
6. The landscaping, dumpsters, parking lots, sides of buildings, entry ways, doors, passages, and fire lanes are not to be blocked by any objects, including but not limited to cars, trucks, moving vans, debris, boxes or other objects. None of these areas shall be blocked or obstructed by any rubbish, litter, trash or material of any nature placed, emptied or thrown into these areas. Such areas shall not be used at any time except for access or egress by Tenant, Tenant's agents, employees or invitees.
7. The water closest and other water fixtures shall not be used for any purpose other than those for which they were constructed and any damage resulting to them from misuse or the defacing or injury of any part of the Building shall be borne by the person who shall occasion it. No person shall waste water by interfering with the faucets or otherwise. Tenant agrees to promptly notify Landlord of all leaks.
8. No person shall disturb the occupants of the building by the use of any musical instruments, radios, electronic equipment, the making of unseemly noises or other unreasonable use.
9. Tenant shall at least twice a year have the heating, ventilation and/or air conditioning system(s) completely checked out and repaired if necessary. Additionally, the Tenant shall have the filters on said system(s) changed at least on a quarterly basis.
10. Tenant will provide for his own trash pick-up and removal, except in a multi-Tenant building, Landlord shall have the option to have it done and Tenant agrees to pay his pro rata share. In a multi-Tenant building Landlord reserves the right to determine if a Tenant uses more than his/her fair share of the dumpster and to increase the CAM charge accordingly. No Tenant shall bring off-site refuse to the common area dumpster.
11. Tenant shall not conduct or operate within or about the Premises any (1) fire, auction, bankruptcy or "going out of business" sales, (2) a "wholesale" or "factory outlet" store, (3) a cooperative store, (4) a "second hand" store, (5) a "flea market" store, (6) a "surplus" store, or (7) a store commonly referred to as a "discount house." Tenant shall not advertise that it sells products or services at "discount," "cut-price" or "cut-rate" prices.
12. Tenant shall not (A) permit any objectionable or unpleasant odors to emanate from the Premises; (B) place or permit any radio, television, loudspeaker or amplifier on the roof or outside the Premises or where the same can be seen or heard from outside the Building or in the Common Area; (C) place an antenna, awning or other projection on the exterior of the Premises; (D) solicit business or distribute leaflets or other advertising material in the Common Area; (E) take any other action that would constitute a nuisance or would disturb or endanger other tenants

EXHIBIT A

of the Project or unreasonably interfere with their use of their respective premises; or (F) do anything that would tend to injure the reputation of the Project.

13. The Common Area shall not be obstructed by Tenant or used for purposes other than parking, ingress and egress to and from the Premises and for going from one to another part of the Project.

14. Plumbing, fixtures and appliances shall be used only for the purposes for which designed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or deposited therein. Damage resulting to any such fixtures or appliances from misuse by Tenant or its agents, employees or invitees, shall be paid by Tenant.

15. No signs, advertisements or notices shall be painted or affixed on or to any windows or doors or other part of the Project without the prior written consent of Landlord. No nails, hooks or screws shall be driven or inserted in any part of the Project except by Project maintenance personnel.

16. Landlord shall provide all door locks in Tenant's Premises, at the cost of Tenant, and Tenant shall not place any additional door locks in the Premises without Landlord's prior written consent. Landlord shall furnish to Tenant a reasonable number of keys to Tenant's Premises, at Tenant's cost, and Tenant shall not make duplicates thereof.

17. Tenant shall not make or permit any vibration or improper, objectionable or unpleasant noises or odors in the Project or otherwise interfere in any way with other tenants or persons having business with them.

18. No machinery of any kind (other than normal office equipment) shall be operated by Tenant without Landlord's prior written consent, nor shall Tenant use or keep in the Project any flammable or explosive fluid or substance.

19. Landlord will not be responsible for lost or stolen personal property, money or jewelry from a tenant's premises or public or common areas regardless of whether such loss occurs when the area is locked against entry or not.

20. No vending or dispensing machines of any kind may be maintained in any leased premises without the prior written permission of Landlord.

21. Tenant shall not conduct any activity on or about the Premises or Project which will draw pickets, demonstrators, or the like.

22. Tenant agrees not to abuse the parking rights as provided by the building. Accordingly, the parking of cars of Tenant's personnel will not interfere with the operation of other occupants in this Building.

23. No tenant may enter into phone rooms, electrical rooms, mechanical rooms, or other service areas of the Project unless accompanied by Landlord or the Project manager.

24. Tenant will not permit any Tenant Party to bring onto the Project any handgun, firearm or other weapons of any kind, illegal drugs or, unless expressly permitted by Landlord in writing, alcoholic beverages.

EXHIBIT A

EXHIBIT F

CONFIRMATION OF COMMENCEMENT DATE

[TENANT'S ADDRESS]

Re: Lease Agreement (the "**Lease**") dated _____, 20__, between KENNINGTON PARKWAY, LTD., a Texas limited partnership, d/b/a Kennington Commercial ("**Landlord**"), and _____, a _____ ("**Tenant**"). Capitalized terms used herein but not defined shall be given the meanings assigned to them in the Lease.

Ladies and Gentlemen:

Landlord and Tenant agree as follows:

1. **Condition of Premises.** Tenant has accepted possession of the Premises pursuant to the Lease. Any improvements required by the terms of the Lease to be made by Landlord have been completed to the full and complete satisfaction of Tenant in all respects except for the punchlist items described on Exhibit A hereto (the "**Punchlist Items**"), and except for such Punchlist Items, Landlord has fulfilled all of its duties under the Lease with respect to such initial tenant improvements. Furthermore, Tenant acknowledges that the Premises are suitable for the Permitted Use.

2. **Commencement Date.** The Commencement Date of the Lease is _____, 20__.

3. **Expiration Date.** The Term is scheduled to expire on the last day of the ___th full calendar month of the Term, which date is _____, 20__.

4. **Contact Person.** Tenant's contact person in the Premises is:

Attention: _____
Telephone: ____ - ____ - _____
Telecopy: ____ - ____ - _____

5. **Ratification.** Tenant hereby ratifies and confirms its obligations under the Lease, and represents and warrants to Landlord that it has no defenses thereto. Additionally, Tenant further confirms and ratifies that, as of the date hereof, (a) the Lease is and remains in good standing and in full force and effect, and (b) Tenant has no claims, counterclaims, set-offs or defenses against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transaction between Landlord and Tenant.

6. **Binding Effect; Governing Law.** Except as modified hereby, the Lease shall remain in full effect and this letter shall be binding upon Landlord and Tenant and their respective successors and assigns. If any inconsistency exists or arises between the terms of this letter and the terms of the Lease, the terms of this letter shall prevail. This letter shall be governed by the laws of the state in which the Premises are located.

EXHIBIT A

Please indicate your agreement to the above matters by signing this letter in the space indicated below and returning an executed original to us.

Sincerely,

KENNINGTON PARKWAY, LTD.,
a Texas limited partnership, d/b/a Kennington Commercial

By: _____
Clayton Kennington,
Authorized Representative

Agreed and accepted:

[TENANT'S SIGNATURE BLOCK]

By: _____
Name: _____
Title: _____

EXHIBIT A

EXHIBIT A

PUNCHLIST ITEMS

Please insert any punchlist items that remain to be performed by Landlord. If no items are listed below by Tenant, none shall be deemed to exist.

EXHIBIT A

EXHIBIT G

FORM OF TENANT ESTOPPEL CERTIFICATE

The undersigned is the Tenant under the Lease (defined below) between _____, a _____, as Landlord, and the undersigned as Tenant, for the Premises in the Project located at _____, _____ and commonly known as _____, and hereby certifies as follows:

1. The Lease consists of the original Lease Agreement dated as of _____, 20____, between Tenant and Landlord[*s predecessor-in-interest*] and the following amendments or modifications thereto (if none, please state "none"):

The documents listed above are herein collectively referred to as the "Lease" and represent the entire agreement between the parties with respect to the Premises. All capitalized terms used herein but not defined shall be given the meaning assigned to them in the Lease.

2. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in Section 1 above.

3. The Term commenced on _____, _____ and the Term expires, excluding any renewal options, on _____, 20____, and Tenant has no option to purchase all or any part of the Premises or the Project or, except as expressly set forth in the Lease, any option to terminate or cancel the Lease.

4. Tenant currently occupies the Premises described in the Lease and Tenant has not transferred, assigned, or sublet any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows (if none, please state "none"):

All monthly installments of Minimum Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through _____. The current monthly installments of Minimum Rent and Additional Rent are:

Minimum Rent	\$ _____
Common Area Costs	_____
Insurance Costs	_____
Taxes	_____
Total	\$ _____

5. All conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and Landlord is not in default thereunder. In addition, Tenant has not delivered any notice to Landlord regarding a default by Landlord thereunder.

6. As of the date hereof, there are no existing defenses or offsets, or, to the undersigned's knowledge, claims or any basis for a claim, that the undersigned has against Landlord and no event has occurred and no condition exists, which, with the giving of notice or the passage of time, or both, will constitute a default under the Lease.

EXHIBIT A

7. No rental has been paid more than 30 days in advance and no security deposit has been delivered to Landlord except as provided in the Lease.

8. If Tenant is a corporation, partnership or other business entity, each individual executing this Estoppel Certificate on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in the state in which the Premises are located and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so.

9. There are no actions pending against Tenant under any bankruptcy or similar laws of the United States or any state.

10. Other than in compliance with all applicable laws and incidental to the ordinary course of the use of the Premises, the undersigned has not used or stored any hazardous substances in the Premises.

11. Tenant is not itself, and is not directly or indirectly owned, controlled or supported by, a "Specially Designated National" or otherwise designated as a blocked person under any regulation of the Office of Foreign Assets Control, U.S. Department of Treasury (see:www.ustreas.gov/offices/enforcement/OFAC).

12. All tenant improvement work to be performed by Landlord under the Lease has been completed in accordance with the Lease and has been accepted by the undersigned and all reimbursements and allowances due to the undersigned under the Lease in connection with any tenant improvement work have been paid in full.

Tenant acknowledges that this Estoppel Certificate may be delivered to Landlord, Landlord's Mortgagee or to a prospective mortgagee or prospective purchaser, and their respective successors and assigns, and acknowledges that Landlord, Landlord's Mortgagee and/or such prospective mortgagee or prospective purchaser will be relying upon the statements contained herein in disbursing loan advances or making a new loan or acquiring the property of which the Premises are a part and that receipt by it of this certificate is a condition of disbursing loan advances or making such loan or acquiring such property.

Executed as of _____.

TENANT:

_____,
a _____

By: _____
Name: _____
Title: _____

EXHIBIT A

EXHIBIT H

RESERVED

EXHIBIT A

EXHIBIT I

RESERVED

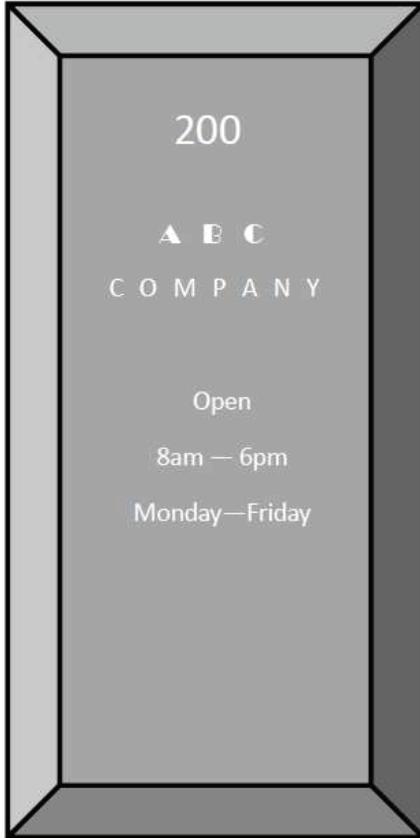
EXHIBIT A

EXHIBIT J

SIGN CRITERIA

FRONT DOOR SIGNAGE

1. DOOR AND ADDRESS SIGNAGE 3” tall white die cut vinyl letters above door



SUBMITTAL FOR APPROVAL

1. Prior to awarding a contract for fabrication and installation, Tenant shall submit three (3) sealed drawings for final review and approval to:

Clayton Kennington
 4514 Travis Street
 Suite 312
 Dallas, Texas 75205
 214 599 -9996
www.kenningtoncommercial.com

PERMITS

All City permits and approval from the Landlord are required prior to sign fabrication.

TENANT MUST PROVIDE A COPY OF EXHIBIT J TO ITS SIGN CONTRACTOR

EXHIBIT A

WINDOW SIGNAGE

Exposed neon tubing is not permitted along with sale signs, advertising signs, posters, hiring or any other signage without approval from the Landlord. Tenant shall not apply any other signs to the interior of exterior face of the storefront glass or other materials, unless specifically permitted in the lease.

SPECIFICATIONS

Introduction

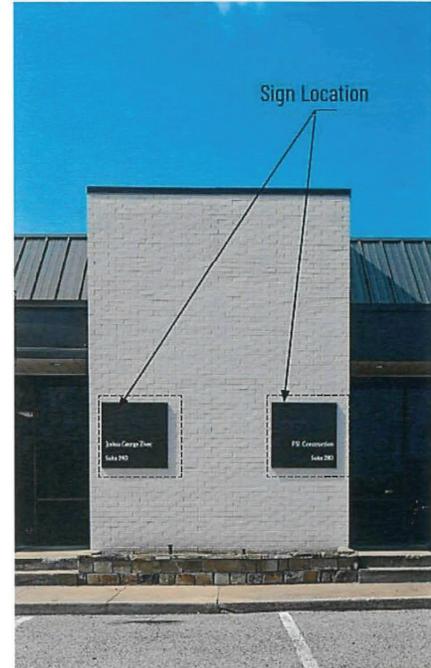
Tenant signage shall be designed to compliment the overall storefront and general building design as well as the broader design goals of the development. This Tenant Sign Criteria Manual establishes standards of first class quality and design that will ensure compatibility of Tenant signage with the development's architecture and character. The Tenant Sign Criteria establishes criteria for consistency and uniformity of tenant signage throughout the development.

Landlord's Approval

All Tenant signs are subject to prior written approval by Landlord. Landlord reserves the right to reject any signage which, in Landlord's sole opinion, is inappropriate for this development. All work related to the Tenant signs will be at Tenant's sole cost.

Signage Locations

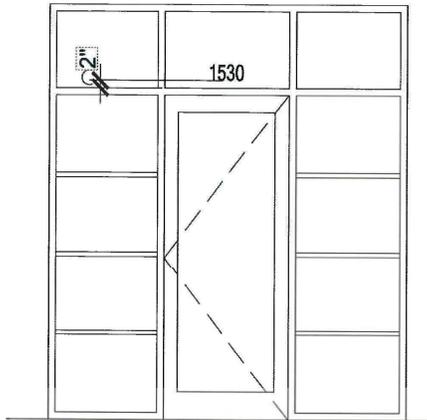
Signs are already installed and are parallel to and directly next to the storefront within the limits of Tenants demised premises. Additional wall signs are not permitted.



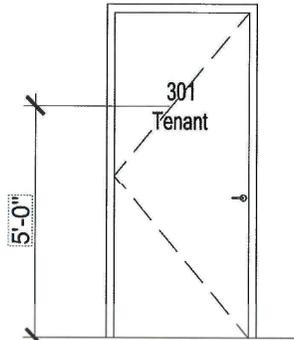
TENANT MUST PROVIDE A COPY OF EXHIBIT J TO ITS SIGN CONTRACTOR

EXHIBIT J, Sign Criteria – Page J-2
4868-0124-4481v.6 018974.00182

EXHIBIT A



TYPICAL STOREFRONT SUITE NUMBER



TYPICAL SERVICE DOOR SIGN



TYPICAL TENANT DIRECTORY SIGN

TENANT SERVICE DOOR

Each Tenant shall be permitted to install lettering on the rear service door to their premises. Service door signs shall be limited to the following:

1. Three-inch tall, vinyl, die-cut letters directly adhered to the door with adhesive.
2. Font: Helvetica
3. Color: White
4. Copy is limited to the suite number and Tenant name only. Tenant logos are not permitted.

TENANT SUITE NUMBERS

Each Tenant shall install suite numbers on the storefront glass at the transom above their primary entrance door identifying the suite number for their premises. Suite numbers shall be limited to the following:

1. Four-inch tall, vinyl, die-cut letters directly adhered to the glass with adhesive.
2. Font: Helvetica
3. Color: White
4. Copy is limited to the suite number only.

TENANT SIGN PLATE

All tenant directory sign will be ordered and installed by Signarama located at 14430 Midway Road, Dallas.

Contact: Jennifer Ishmael
Jennifer@signaramadallas.com
972-361-0700

Tenant logos or other text is not permitted. Exceptions to these requirements will not be permitted.

Address for Signage Document(s) Submission:

Attn: Salli Such, Director of Property Management
 Kennington Commercial
 4514 Travis Street
 Suite 312
 Dallas, Texas 75205

TENANT MUST PROVIDE A COPY OF EXHIBIT J TO ITS SIGN CONTRACTOR

EXHIBIT J, Sign Criteria – Page J-3
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EXHIBIT A**EXHIBIT K****HVAC POLICY**

Landlord's obligations with respect to any HVAC units serving the Premises pursuant to this Lease are subject to this HVAC Policy and are, in all events, expressly conditioned upon Tenant's maintenance of a quarterly HVAC Maintenance Agreement with an HVAC maintenance company acceptable to Landlord throughout the Term of the Lease and any extensions or renewals thereof.

Should Tenant fail to obtain or maintain the quarterly HVAC Maintenance Agreement or should the same otherwise lapse for any reason, then the below HVAC policy shall be void and Tenant shall be solely responsible for all costs for repair, maintenance, and/or replacement of any HVAC units serving the Premises. Notwithstanding anything to the contrary contained in this Lease or this Exhibit, Tenant shall be solely responsible for the cost of the quarterly HVAC Maintenance Agreement as well as the cost of normal wear and tear of the HVAC units serving the Premises.

1 st year of initial lease term		Landlord shall pay all costs for all repairs and/or replacements beyond normal wear and tear, as determined by Landlord.
After 1 st year of initial lease term, in addition to costs associated with the quarterly HVAC Maintenance Agreement, Tenant's obligations with respect to HVAC repair and/or replacement shall be as follows:		
Age of Unit	1-10 years	Landlord and Tenant will equally share the cost of repairs and replacements of major components of any HVAC unit serving the Premises, as determined by Landlord. "Major components" are defined as: <ol style="list-style-type: none"> 1. Heat Exchanger 2. Blower Motor 3. Combustion Chamber 4. Condenser Coil/Compressor 5. Evaporator Coil Tenant shall pay all other costs for any other HVAC repairs; provided, however, in no event shall Tenant's costs for repairs and replacements hereunder exceed \$16,000/unit per year.
	11-13 years	Tenant's costs for repairs and replacements beyond normal wear and tear shall not exceed \$2,500/unit per year.
	14-16 years	Tenant's costs for repairs and replacements beyond normal wear and tear shall not exceed \$1,500/unit per year.
	17-19 years	Tenant's costs for repairs and replacements beyond normal wear and tear shall not exceed \$1,000/unit per year.
	20+ years	Tenant pays only costs associated with normal wear and tear.
If an HVAC unit serving the Premises is replaced or a new HVAC unit is installed at any after the Lease Date:		Tenant is responsible for 100% of the costs for repairs and replacements to such replaced or new HVAC unit throughout the Term of the Lease and any extensions or renewals thereof.

Council Meeting 2023

Meeting Date: 02/28/2023

Department: Police

Pillars: Gold Standard in Public Safety

AGENDA CAPTION:

Consider Action on a **Resolution Approving an Office Lease Agreement Between the Town of Addison and Kennington Commercial, at 4950 Keller Springs Road Suite 155, Addison, Texas for the Animal Control Office and Authorizing the City Manager to Execute the Agreement.**

BACKGROUND:

The purpose of this item is to approve a lease for 1,604 square feet of lease space for the Addison Animal Control. The lease space is located at 4950 Keller Springs Road, Suite 155. The lease is for a term of 60 months and is estimated to commence on March 1, 2023.

Addison Animal Control previously rented office space off site for their operations. The agreement for this space ended several years ago and Animal Control has been using space in the Police and Courts building. With recent growth and space constraints at the police department, Animal Control needs their own, dedicated space to properly conduct daily operations. This new location will allow animal control to have dedicated office space, computers, storage areas, and a proper location to meet with citizens for animal adoptions, surrenders, etc. The new proposed base lease space rental costs are broken down in the table below.

Period in Months	Monthly Rental	Annual Rent per Sq. Ft.
0-12	\$2,166.74	\$16.21
13-24	\$2,232.23	\$16.70
25-36	\$2,299.07	\$17.20
37-48	\$2,367.24	\$17.71
49-60	\$2,438.08	\$18.24

Funds for this project were allocated in the Fiscal Year 2023 annual budget. Additional information can be found in the attached resolution with the lease.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution - Animal Control Lease Space

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, APPROVING A LEASE AGREEMENT BETWEEN THE TOWN OF ADDISON AND KENNINGTON PARKWAY, LTD. FOR THE PROPERTY LOCATED A 4950 KELLER SPRINGS ROAD, SUITE 155, ADDISON, TEXAS; AUTHORIZING THE CITY MANAGER TO EXECUTE THE LEASE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council finds it presently necessary to lease additional short-term commercial office space for use by Town staff for general administrative purposes; and

WHEREAS, Town staff has identified a suitable commercial office space consisting of approximately 1,604 square feet in the Parkway Place building located at 4950 Keller Springs Road, Suite 155, Addison, Texas 75001 (the "Subject Property"); and

WHEREAS, the City Council desires to approve a commercial office lease between the Town and Kennington Parkway Ltd. for the Subject Property for a term of five (5) years (the "Lease")

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

SECTION 1. The City Council hereby approves the above-referenced Lease for the Subject Property, a copy of which is attached to this Resolution as **Exhibit A.** The City Manager, or designee, is hereby authorized to execute the Lease and all other documents necessary to effectuate the same.

SECTION 2. This Resolution shall take effect from and after its date of passage.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas, this the **28th** day of **FEBRUARY** 2023.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma Parker, City Secretary

EXHIBIT A

LEASE AGREEMENT

BETWEEN

KENNINGTON PARKWAY, LTD.,

AS LANDLORD,

AND

TOWN OF ADDISON, TEXAS,

AS TENANT

DATED _____, 2023

**PARKWAY PLACE
ADDISON, DALLAS COUNTY, TEXAS**

BASIC LEASE INFORMATION

Lease Date: _____, 2023

Landlord KENNINGTON PARKWAY, LTD., a Texas limited partnership d/b/a Kennington Commercial

Tenant TOWN OF ADDISON, TEXAS, a home rule municipal corporation of the State of Texas

Premises: Suite No. 155, containing 1,604 rentable square feet, in the building commonly known as Parkway Place and located at 4950 Keller Springs Road, Addison, Texas 75001 (the "**Building**"). The Premises are outlined on the plan attached to this Lease as Exhibit A. The land on which the Building is located (the "**Land**") is described on Exhibit B. The term "**Project**" shall collectively refer to the Building, the Land, and the driveways, parking facilities, and similar improvements and easements associated with the foregoing or the operation thereof.

Term: Sixty (60) full calendar months, plus any partial month from the Commencement Date to the end of the month in which the Commencement Date falls, starting on the Commencement Date and ending at 5:00 p.m. local time on the last day of the 60th full calendar month following the Commencement Date, subject to adjustment and earlier termination as provided in the Lease. The "**Commencement Date**" means the earlier of the following dates:

- (a) the date upon which Tenant opens the Premises to the public for business, or
- (b) the earlier of:
 - (i) February 1, 2023, or
 - (ii) one (1) business day after the earlier of (1) the date on which the Work is Substantially Completed (as such terms are defined in Exhibit D hereto), or (2) the date on which the Work would have been Substantially Completed but for the occurrence of any Tenant Delay Days (as defined in Exhibit D hereto).

Minimum Rent: Minimum Rent shall be the following amounts for the following periods of time:

Lease Month	Annual Minimum Rent	Monthly Minimum Rent
	Rate Per Rentable Square Foot	
01 – 12	\$16.21	\$2,166.74
13 – 24	\$16.70	\$2,232.23
25 – 36	\$17.20	\$2,299.07
37 – 48	\$17.71	\$2,367.24
49 – 60	\$18.24	\$2,438.08

As used herein, the term "**Lease Month**" means each calendar month during the Term (and if the Commencement Date does not occur on the first day of a calendar month, the period from the Commencement Date to the first day of the next calendar month shall be included in the first Lease Month for purposes of determining the duration of the Term and the monthly Minimum Rent rate applicable for such partial month).

Security Deposit: \$2,674.67.

Rent: Minimum Rent, Additional Rent and all other sums that Tenant may owe to Landlord or otherwise be required to pay under the Lease.

Permitted Use: General office, administration, and storage for animal services, including the temporary holding of stray or surrendered household pets for a maximum of seventy-two (72) hours. Tenant may hold periodic pet adoption events, subject to Landlord’s reasonable approval of hours and location; provided, however, that Tenant shall provide Landlord thirty (30) days’ advance written notice of such event.

Tenant's Proportionate Share: 1.315%, which is the percentage obtained by dividing (a) the number of rentable square feet in the Premises as stated above by (b) the 121,949 rentable square feet in the Project. Landlord and Tenant stipulate that the number of rentable square feet in the Premises and in the Project set forth above is conclusive and shall be binding upon them. Tenant's Proportionate Share is subject to adjustment as provided in Section 6(c) of the Lease.

Initial Liability Insurance Amount: \$1,000,000.

Initial Monthly Payment of Rent: The following shall constitute Tenant's initial monthly payment of Rent required pursuant to Sections 3, 6(b), 10(e) and 15(b) of the Lease, which shall be adjusted as and when required under the terms of the Lease:

Minimum Rent	\$2,166.74
Additional Rent	
Tenant's Proportionate Share of Common Area Costs	\$181.79
Tenant's Proportionate Share of Insurance Costs	\$54.80
Total Initial Monthly Payment	\$2,403.33

Tenant's Address:	Prior to Commencement Date:	Following Commencement Date:
	Town of Addison	Town of Addison
	4799 Airport Parkway	4950 Keller Springs Rd., Suite 155
	Addison, TX 75001	Addison, Texas 75001
	Attention: _____	Attention: _____
	Telephone: _____	Telephone: _____

Landlord's Address: For all Notices:

Kennington Commercial
P.O. Box 192269
Dallas, Texas 75219
Attention: Clayton Kennington

LEASE

This Lease Agreement (this "**Lease**") is entered into as of the Lease Date, between KENNINGTON PARKWAY, LTD., a Texas limited partnership d/b/a Kennington Commercial ("**Landlord**"), and TOWN OF ADDISON, TEXAS, a home rule municipal corporation of the State of Texas ("**Tenant**").

1. **Definitions and Basic Provisions.** The definitions and basic provisions set forth in the Basic Lease Information (the "**Basic Lease Information**") executed by Landlord and Tenant contemporaneously herewith are incorporated herein by reference for all purposes. Additionally, the following terms shall have the following meanings when used in this Lease: "**Affiliate**" means any person or entity which, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the party in question; "**Building's Structure**" means the Building's exterior walls, roof, elevator shafts (if any), footings, foundations, structural portions of load-bearing walls, structural floors and subfloors, and structural columns and beams; "**Building's Systems**" means the Building's HVAC system (if it serves portions of the Building or Project in addition to or other than the Premises) and the Building's life-safety, plumbing, electrical and mechanical systems; "**including**" means including, without limitation; "**Laws**" means all federal, state, and local laws, ordinances, rules and regulations, all court orders, governmental directives, and governmental orders and all interpretations of the foregoing, and all restrictive covenants affecting this Lease or the Project, and "**Law**" means any of the foregoing; "**Tenant's Off-Premises Equipment**" means any of Tenant's equipment or other property that may be located on or about the Project (other than inside the Premises); "**Tenant Party**" means any of the following persons: Tenant; any assignees claiming by, through, or under Tenant; any subtenants claiming by, through, or under Tenant; and any of their respective agents, contractors, employees, licensees, guests and invitees' and "**Control**" means direct or indirect ownership of and the power to vote fifty percent (50%) or more of the voting stock of a corporation or fifty percent (50%) or more of the direct or indirect ownership interest in any partnership or other business entity.

2. **Premises; Construction.**

(a) **Lease Grant.** Subject to the terms of this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, the Premises.

(b) **Construction and Acceptance of Premises.** If Exhibit D hereto provides for Work to be performed by Landlord, then Landlord shall construct improvements in the Premises to the extent provided in Exhibit D (such Work, if any, to be performed by Landlord being herein sometimes referred to as "**Landlord's Work**"). Tenant shall accept possession of the Premises upon Landlord's tender of possession thereof to Tenant (with Landlord's Work, if any, Substantially Completed) and shall diligently perform the Work, if any, required to be performed by Tenant pursuant to Exhibit D (such Work, if any, to be performed by Tenant being herein sometimes referred to as "**Tenant's Work**") in accordance with Section 7 and Exhibit D and install its fixtures, furniture and equipment. Tenant shall pay all utility and similar costs incurred in performing Tenant's Work. By initiating Tenant's Work in the Premises (or if no Tenant's Work is to be performed by Tenant, then by occupying the Premises), Tenant shall be deemed to have accepted the Premises in their condition as of the date of such initiation of Tenant's Work (or the date of such occupancy, as the case may be), subject to the performance of punch-list items that remain to be performed by Landlord, if any. Occupancy of the Premises by Tenant prior to the Commencement Date shall be subject to all of the provisions of this Lease excepting only those requiring the payment of Minimum Rent and Additional Rent.

(c) **Tender of Possession.** Landlord and Tenant presently anticipate that possession of the Premises will be tendered to Tenant in the condition required by this Lease on or about February 1, 2023 (the "**Estimated Delivery Date**"). If Landlord is unable to tender possession of the Premises in such condition to Tenant by the Estimated Delivery Date, then (1) the validity of this Lease shall not be affected or impaired thereby, (2) Landlord shall not be in default hereunder or be liable for damages therefor, and (3) Tenant shall accept possession of the Premises when Landlord tenders possession thereof to Tenant. Prior to occupying the Premises, Tenant shall execute and deliver to Landlord a letter substantially in the form of Exhibit F hereto confirming (A) the Commencement Date and the expiration date of the initial Term, (B) that Tenant has accepted the Premises, and (C) that Landlord has performed all of its obligations (if any) with respect to the Premises (except for punch-list items, if any, specified in such letter); however, the failure of the parties to execute such letter shall not defer the

Commencement Date or otherwise invalidate this Lease. Tenant shall furnish to Landlord a certificate of occupancy from applicable authorities before commencing business in the Premises.

3. **Rent.**

(a) **Payment.** Tenant shall timely pay to Landlord Rent, without notice, demand, deduction or set-off by good and sufficient funds at Landlord's address provided for in this Lease or as otherwise specified by Landlord, and all payments shall be accompanied by all applicable state and local sales or use taxes. The obligations of Tenant to pay Minimum Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations.

(b) **Minimum Rent.** Minimum Rent shall be payable monthly in advance. The first monthly installment of Minimum Rent shall be payable contemporaneously with the execution of this Lease; thereafter, Minimum Rent shall be payable on the first day of each month beginning on the first day of the second full calendar month of the Term. The monthly Minimum Rent for any partial month at the beginning of the Term shall be prorated for the number of days in the partial month, and shall be due on the Commencement Date. Payment of Minimum Rent for any fractional calendar month at the end of the Term shall be similarly prorated. Tenant shall pay Additional Rent at the same time and in the same manner as Minimum Rent. If Tenant has not opened for business in the Premises by the Commencement Date, then the daily Minimum Rent shall be increased by 50% until Tenant does open for business.

(c) **Additional Rent.** In addition to Minimum Rent, Tenant shall pay, as "**Additional Rent**" hereunder: (1) Tenant's Proportionate Share of Common Area Costs, as set forth in Section 6(b), (2) Tenant's Proportionate Share of Insurance Costs, as set forth in Section 10(e), and (3) Tenant's Proportionate Share of Taxes, as set forth in Section 15(b).

4. **Delinquent Payment; Handling Charges.** All past due payments required of Tenant hereunder shall bear interest from the date due until paid at the lesser of eighteen percent per annum or the maximum lawful rate of interest (such lesser amount is referred to herein as the "**Default Rate**"); additionally, Landlord, in addition to all other rights and remedies available to it, may charge Tenant a fee equal to five percent of the delinquent payment to reimburse Landlord for its cost and inconvenience incurred as a consequence of Tenant's delinquency. In no event, however, shall the charges permitted under this Section 4 or elsewhere in this Lease, to the extent they are considered to be interest under applicable Law, exceed the maximum lawful rate of interest. Notwithstanding the foregoing, the late fee referenced above shall not be charged with respect to the first occurrence (but not any subsequent occurrence) during any 12-month period that Tenant fails to make payment when due, until five days after Landlord delivers written notice of such delinquency to Tenant.

5. **Security Deposit.** Contemporaneously with the execution of this Lease, Tenant shall pay to Landlord the Security Deposit by good and sufficient funds at Landlord's address provided for in this Lease or as otherwise specified by Landlord, which shall be held by Landlord to secure Tenant's performance of its obligations under this Lease. The Security Deposit is not an advance payment of Rent or a measure or limit of Landlord's damages upon an Event of Default (as defined herein). Landlord may, from time to time following an Event of Default and without prejudice to any other remedy, use all or a part of the Security Deposit to perform any obligation Tenant fails to perform hereunder. Following any such application of the Security Deposit, Tenant shall pay to Landlord on demand the amount so applied in order to restore the Security Deposit to its original amount. Subject to the requirements of, and conditions imposed by, Laws applicable to security deposits under commercial leases, Landlord shall, within the time required by applicable Law, return to Tenant the portion of the Security Deposit remaining after deducting all damages, charges and other amounts permitted by Law. Landlord and Tenant agree that such deductions shall include, without limitation, all damages and losses that Landlord has suffered or that Landlord reasonably estimates that it will suffer as a result of any breach of this Lease by Tenant. The Security Deposit may be commingled with other funds, and no interest shall be paid thereon. If Landlord transfers its interest in the Premises, Landlord may assign the Security Deposit to the transferee and, upon such transfer and the delivery to Tenant of an acknowledgement of the transferee's responsibility for the Security Deposit as provided by Law, Landlord thereafter shall have no further liability for the return of the Security Deposit.

6. **Common Area.**

(a) **Common Area.** As used herein, the "**Common Area**" means the part of the Project designated by Landlord from time to time for the common use of all tenants, including parking areas, sidewalks, landscaping, curbs, loading areas, private streets and alleys, lighting facilities, hallways, malls, and restrooms, all of which are subject to Landlord's sole control. Landlord may from time to time: change the dimensions and location of the Common Area, as well as the location, dimensions, identity and type of buildings; construct additional buildings or additional stories on existing buildings or other improvements in the Project; and eliminate buildings. Tenant and its employees, customers, subtenants, licensees and concessionaires shall have a non-exclusive license to use the Common Area in common with Landlord, other tenants of the Project and other persons permitted by Landlord to use the same. Landlord may promulgate and modify from time to time rules and regulations for the safety, care or cleanliness of the Project which shall be complied with by Tenant and its employees, agents, visitors and invitees. Landlord may temporarily close any part of the Common Area for such periods of time as may be necessary to prevent the public from obtaining prescriptive rights or to make repairs or alterations. Landlord may designate areas in which Tenant's employees shall be required to park, and Tenant shall cause its employees to park in such areas.

(b) **Common Area Costs.** Tenant shall pay its Proportionate Share of the costs incurred by Landlord in owning, operating, administering, repairing, replacing, improving and maintaining the Common Area, plus an administrative charge of fifteen percent (15%) of all such costs (collectively, "**Common Area Costs**"). Common Area Costs shall include the items specified on Exhibit C. Tenant's Proportionate Share of Common Area Costs shall be paid in monthly installments, concurrently with Minimum Rent, based upon Landlord's good faith estimate, from time to time, of Common Area Costs. Tenant's initial payment is based upon Landlord's estimate of Common Area Costs for the year in question, and the monthly payments thereof (and future payments) are subject to increase or decrease as determined by Landlord from time to time to reflect an accurate estimate of actual Common Area Costs. Within 120 days (or a reasonable time thereafter) after the end of each calendar year, Landlord shall deliver to Tenant a statement of Common Area Costs for such calendar year (the "**Reconciliation Statement**"). The Reconciliation Statement shall be reasonably detailed and, if requested in writing by Tenant, Landlord shall provide any back-up documentation within ten (10) Business Days following Tenant's written request therefor. Landlord shall answer any questions Tenant may have with respect to such Reconciliation Statement and use commercially reasonable efforts to resolve any issues that Tenant may have with respect to such Reconciliation Statement. Tenant shall pay Landlord or Landlord shall credit Tenant (or, if such adjustment is at the end of the Term, pay Tenant), within 30 days of Tenant's receipt of Reconciliation Statement, the amount of any excess or deficiency in Tenant's payment of its Proportionate Share of Common Area Costs for such calendar year.

(c) **Tenant's Proportionate Share.** Notwithstanding any contrary provision herein, in calculating Tenant's Proportionate Share of certain items (or components thereof), the following provisions shall apply: (1) in the case of Common Area Costs, the rentable area of the Project (as used in the calculation of Tenant's Proportionate Share) shall exclude (A) the rentable square feet of premises occupied by ground lessees or owners of outparcels within the Project who do not contribute on a Proportionate Share basis to the Project's Common Area Costs because they are obligated to maintain separately certain common areas appurtenant to their ground leased or owned premises, and (B) with regard to specific Common Area Cost items, the rentable square feet of all other tenants in the Project who do not include such items within the calculation of such other tenant's share of Common Area Costs because such other tenants are individually responsible for the item in question (e.g., if an anchor tenant provides for its own landscaping and the cost of landscaping is not part of such tenant's Common Area Cost obligation, that tenant's rentable square feet shall be excluded from the rentable area of the Project in determining Tenant's Proportionate Share of landscaping costs); (2) in the case of Insurance Costs, Tenant's Proportionate Share of Landlord's cost of casualty insurance shall exclude from the rentable area of the Project (used in the calculation of Tenant's Proportionate Share) the rentable square feet of any building in the Project which is separately insured by the tenant of such building, and which tenant as a result does not contribute to Landlord's cost of casualty insurance; and (3) in the case of Taxes, Tenant's Proportionate Share of Taxes shall exclude from the rentable area of the Project (used in the calculation of Tenant's Proportionate Share) the rentable square feet of any leased building in the Project which is separately assessed and whose tenant pays such separately assessed tax amount pursuant to its lease in lieu of paying a Proportionate Share of Taxes assessed for the Project as a whole. If buildings are added to or removed from the Project, or additional areas are leased to tenants whose rentable square footage is excluded from the rentable area of the Project under the foregoing calculations, Tenant's Proportionate Share shall be appropriately adjusted.

7. **Improvements; Alterations; Repairs; Maintenance; Utilities.**

(a) **Improvements; Alterations.** Except for Landlord's Work (if any) to be performed pursuant to Exhibit D, all alterations and improvements to the Premises shall be installed at Tenant's expense only in accordance with plans and specifications which have been previously submitted to and approved in writing by Landlord, which approval shall be governed by the provisions set forth in this Section 7(a). No alterations or physical additions in or to the Premises may be made without Landlord's prior written consent, in Landlord's sole discretion. All alterations, additions, and improvements shall be constructed, maintained, and used by Tenant, at its risk and expense, in accordance with all Laws; Landlord's consent to or approval of any alterations, additions or improvements (or the plans therefor) shall not constitute a representation or warranty by Landlord, nor Landlord's acceptance, that the same comply with sound architectural and/or engineering practices or with all applicable Laws, and Tenant shall be solely responsible for ensuring all such compliance.

(b) **Repairs; Maintenance.** Tenant shall maintain the Premises in a good, clean, safe, and operable condition, and shall not permit or allow to remain any waste or damage to any portion of the Premises. Without limiting the foregoing, Tenant shall (1) maintain the interior walls and the interior surfaces of exterior walls (including painting and other treatment thereof), store fronts, plate glass windows, doors, door closure devices, window and door frames, molding, locks and hardware, floors, floor coverings and ceiling, (2) maintain, repair and replace all plate and other glass, (3) furnish, maintain and replace all electric light bulbs, tubes and tube casings, and (4) maintain all plumbing and electrical systems and all equipment (including all air conditioning, heating and ventilating equipment) and fixtures within or serving the Premises, Tenant's Off-Premises Equipment and all areas, improvements and systems exclusively serving the Premises, in each case, in good operating order and condition and in accordance with all Laws and the equipment manufacturers' suggested service programs; and Tenant shall, at its sole cost and expense, make all needed repairs and replacements to all of the foregoing items. Tenant shall enter into a preventive maintenance/service contract with a maintenance contractor approved by Landlord for servicing all air conditioning, heating and ventilating equipment serving the Premises (the "**HVAC Maintenance Agreement**"). If Tenant fails to provide Landlord with a copy of such HVAC Maintenance Agreement within ten (10) days after the Commencement Date, Landlord may enter into such HVAC Maintenance Agreement on Tenant's behalf, the cost of which will be charged to Tenant as Additional Rent. Additionally, at all times Landlord shall have the option, upon written notice to Tenant, to enter into such HVAC Maintenance Agreement covering Tenant's equipment along with other tenants of the Project, the cost of which will be included in Common Area Costs. Tenant shall, at Tenant's sole cost and expense, obtain and maintain in effect at all times a pest control service to regularly exterminate the Premises for all pests. Such service shall exterminate the Premises as necessary to keep the Premises reasonably free from pests. If Tenant fails to provide such service to Landlord's reasonable satisfaction, Landlord shall have the right, but not the obligation, to provide such pest control as Landlord, in its sole discretion, deems appropriate, and Tenant shall be liable for all reasonable costs thereof and all shall pay all such amounts to Landlord upon demand. Tenant shall keep all plumbing units, pipes and connections free from obstruction and protected against ice and freezing. Tenant shall be responsible for the cleaning and maintenance of any grease trap serving the Premises and shall enter into, and furnish to Landlord upon request a copy of, a grease trap cleaning and maintenance contract reasonably acceptable to Landlord. Tenant shall repair or replace, subject to Landlord's direction and supervision, any damage to the Project caused by a Tenant Party. If Tenant fails to make such repairs or replacements within 15 days after the occurrence of such damage, then Landlord may make the same at Tenant's cost. If any such damage occurs outside of the Premises, then Landlord may elect to repair such damage at Tenant's expense, rather than having Tenant repair such damage. The cost of all maintenance, repair or replacement work performed by Landlord under this Section 7 shall be paid by Tenant to Landlord within 30 days after Landlord has invoiced Tenant therefor.

(c) **Performance of Work.** All work described in this Section 7 shall be performed only by Landlord or by contractors and subcontractors approved in writing by Landlord. Tenant shall cause all contractors and subcontractors to procure and maintain insurance coverage naming Landlord, Landlord's property management company and Landlord's asset management company as additional insureds against such risks, in such amounts, and with such companies as Landlord may reasonably require. Tenant shall provide Landlord with the identities, mailing addresses and telephone numbers of all persons performing work or supplying materials prior to beginning such construction and Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable Laws. All such work shall be performed in accordance with all Laws and in a good and workmanlike manner so as not to damage the Project (including the Premises, the Building's Structure and the Building's Systems). All such work which may affect the Building's Structure or the Building's Systems must be approved by the Building's engineer of record, at Tenant's expense and, at Landlord's election, must be performed by Landlord's usual contractor for such

work. All work affecting the roof of the Building must be performed by Landlord's roofing contractor and no such work will be permitted if it would void or reduce the warranty on the roof.

(d) **Mechanic's Liens.** All work performed, materials furnished, or obligations incurred by or at the request of a Tenant Party shall be deemed authorized and ordered by Tenant only, and Tenant shall not permit any mechanic's liens to be filed against the Premises or the Project in connection therewith. Upon completion of any such work, Tenant shall deliver to Landlord final lien waivers from all contractors, subcontractors and materialmen who performed such work. If such a lien is filed, then Tenant shall, within ten days after Landlord has delivered notice of the filing thereof to Tenant (or such earlier time period as may be necessary to prevent the forfeiture of the Project or any interest of Landlord therein or the imposition of a civil or criminal fine with respect thereto), either (1) pay the amount of the lien and cause the lien to be released of record, or (2) diligently contest such lien and deliver to Landlord a bond or other security reasonably satisfactory to Landlord. If Tenant fails to timely take either such action, then Landlord may pay the lien claim, and any amounts so paid, including expenses and interest, shall be paid by Tenant to Landlord within ten days after Landlord has invoiced Tenant therefor. Landlord and Tenant acknowledge and agree that their relationship is and shall be solely that of "landlord-tenant" (thereby excluding a relationship of "owner-contractor," "owner-agent" or other similar relationships). Nothing herein shall be deemed a consent by Landlord to any liens being placed upon the Project or Landlord's interest therein due to any work performed by or for Tenant or deemed to give any contractor or subcontractor or materialman any right or interest in any funds held by Landlord to reimburse Tenant for any portion of the cost of such work. Tenant shall hold harmless Landlord and its agents and representatives from and against all claims, demands, causes of action, suits, judgments, damages and expenses (including attorneys' fees) in any way arising from or relating to the failure by any Tenant Party to pay for any work performed, materials furnished, or obligations incurred by or at the request of a Tenant Party. This indemnity provision shall survive termination or expiration of this Lease.

(e) **Use of Roof.** The roof above the Premises is not part of the Premises and is exclusively reserved to Landlord, and Tenant shall not go on the roof nor install any antennae, satellite dish or other improvements on the roof without Landlord's prior written consent.

(f) **Signs; Store Fronts.** Tenant shall not, without Landlord's prior written consent (1) make any changes to or paint the store front; or (2) install any exterior lighting, decorations or paintings; or (3) erect or install any signs, banners, window or door lettering, placards, decorations or advertising media of any type visible from the exterior or interior of the Premises. All signs, decorations and advertising media shall conform to the sign criteria attached as Exhibit J. Landlord may designate a uniform type of sign for the Project to be installed and paid for by Tenant. Tenant shall, on or before the Commencement Date, install all signs in accordance with Exhibit J. At the end of the Term or upon termination of Tenant's right to possess the Premises, or upon the removal or alteration of a sign for any reason, Tenant shall repair, paint, and/or replace the building fascia surface where signs are attached.

(g) **Utilities.** Landlord shall provide and maintain the facilities necessary to supply water, electricity, gas (if applicable), telephone service and sewerage service to the Premises. Tenant shall be responsible for providing any meters or other devices for the measurement of utilities supplied to the designated point of service. Tenant shall promptly pay all charges for electricity, water, gas, telephone service, sewerage service and other utilities furnished to the Premises (including all tap fees and similar assessments made in connecting the Premises to such utilities) and any maintenance charges therefor. Landlord shall not be liable to Tenant, any Tenant Party or any other person or entity whatsoever, for abatement of rent as a result of, or for any other loss or damages whatsoever occurring in connection with, any interruption or failure whatsoever in utility services, and Tenant shall comply with all provisions of this Lease notwithstanding any such failure or interruption.

(h) **Excess Utility Use.** Landlord shall not be required to furnish electrical current for equipment that requires more than 110 volts or other equipment whose electrical energy consumption exceeds normal office usage. If Tenant's requirements for or consumption of electricity exceed the electricity to be provided by Landlord as described herein, Landlord shall, at Tenant's expense, make reasonable efforts to supply such service through the then-existing feeders and risers serving the Building and the Premises, and Tenant shall pay to Landlord the cost of such service within 30 days after Landlord has delivered to Tenant an invoice therefor. Landlord may determine the amount of such additional consumption and potential consumption by any verifiable method, including installation of a separate meter in the Premises installed, maintained, and read by Landlord, at Tenant's expense. Tenant shall not install any electrical equipment requiring special wiring or requiring voltage in excess of 110 volts

unless approved in advance by Landlord. The use of electricity in the Premises shall not exceed the capacity of existing feeders and risers to or wiring in the Premises. Any risers or wiring required to meet Tenant's excess electrical requirements shall, upon Tenant's written request, be installed by Landlord, at Tenant's cost, if, in Landlord's judgment, the same are necessary and shall not cause permanent damage to the Building or the Premises, cause or create a dangerous or hazardous condition, entail excessive or unreasonable alterations, repairs, or expenses, or interfere with or disturb other tenants of the Building. If Tenant uses machines or equipment in the Premises which affect the temperature otherwise maintained by the air conditioning system or otherwise overload any utility, Landlord may install supplemental air conditioning units or other supplemental equipment in the Premises, and the cost thereof, including the cost of installation, operation, use, and maintenance, in each case, plus an administrative fee of 15% of such cost, shall be paid by Tenant to Landlord within 30 days after Landlord has delivered to Tenant an invoice therefor.

8. **Use and Care of the Premises.**

(a) **Use and Operations.** Tenant shall continuously occupy and use the entire Premises throughout the Term only for the Permitted Use, and shall comply with all Laws relating to this Lease and/or the use, maintenance, condition, access to, and occupancy of the Premises and will not commit waste, overload the Building's Structure or the Building's Systems or subject the Premises to use that would damage the Premises. Tenant shall not conduct second or third shift operations within the Premises; however, Tenant may use the Premises after normal business hours, so long as Tenant is not generally conducting business from the Premises after normal business hours. The Premises shall not be used for any use that is disreputable, creates extraordinary fire hazards, or results in an increased rate of insurance on the Project or its contents, or for the storage of any Hazardous Materials (other than typical office supplies and then only in compliance with all Laws). If, because of a Tenant Party's acts or because Tenant vacates the Premises, the rate of insurance on the Project or its contents increases, then such acts shall be an Event of Default, Tenant shall pay to Landlord the amount of such increase on demand, and acceptance of such payment shall not waive any of Landlord's other rights. Tenant shall conduct its business and control each other Tenant Party so as not to create any nuisance or unreasonably interfere with other tenants, invitees, or Landlord in its management of the Project.

(b) **Impact on Insurance.** The Premises shall not be used for any use that is disreputable, creates extraordinary fire hazards, or results in an increased rate of insurance on the Project or its contents, or for the storage of any Hazardous Materials (other than those in normal commercial and retail applications or sold as retail consumer products and then only in compliance with all Laws). If, because of a Tenant Party's acts or because Tenant vacates the Premises, the rate of insurance on the Project or its contents increases, then such acts shall be an Event of Default, Tenant shall pay to Landlord the amount of such increase on demand, and acceptance of such payment shall not waive any of Landlord's other rights.

(c) **Display Windows.** Tenant shall maintain all display windows in a neat, attractive condition (as determined by Landlord in its sole but reasonable discretion), and shall keep all display windows and exterior electric signs in front of the Premises lighted from dusk until 10:00 p.m. every day, including Sundays and holidays. Landlord reserves the right to connect all canopy signs in the Project, including Tenant's, to a common electrical line controlled by Landlord, in order to control the hours during which such signs are kept lighted, and all charges for the installation, maintenance and repair of such electrical line, as well as all electrical usage charges associated therewith, shall be included in Common Area Costs.

(d) **Compliance with Law.**

(1) **Existing Laws.** If any Laws in existence as of the date of this Lease require an alteration or modification of the Premises (a "**Code Modification**") and such Code Modification (i) is not made necessary as a result of the specific use being made by Tenant of the Premises (as distinguished from an alteration or improvement which would be required to be made by the owner of any building comparable to the Building irrespective of the use thereof by any particular occupant), and (ii) is not made necessary as a result of any alteration of the Premises by Tenant, then such Code Modification shall be performed by Landlord at Landlord's sole cost and expense.

(2) **Governmental Regulations – Landlord Responsibility.** If, as a result of one or more Laws that are not in existence as of the date of this Lease, it is necessary from time to time during the Term, to perform a Code Modification to the Building or Project that (i) is not made necessary as a result of the specific use being made by Tenant of the Premises (as distinguished from an alteration or improvement which would be required to be made by the owner of any building comparable to the Building irrespective of the use thereof by any particular occupant), and (ii) is not made necessary as a result of any alteration of the Premises by Tenant, such Code Modification shall be performed by Landlord and cost thereof shall be included as Common Area Costs.

(3) **Governmental Regulations – Tenant Responsibility.** If, as a result of one or more Laws, it is necessary from time to time during the Term, to perform a Code Modification to the Building or Project that is made necessary as a result of the specific use being made by Tenant of the Premises or as a result of any alteration of the Premises by Tenant, such Code Modification shall be the sole and exclusive responsibility of Tenant in all respects; provided, however, Tenant shall have the right to retract its request to perform a proposed alteration in the event that the performance of such alteration would trigger the requirement for a Code Modification.

(e) **Permits and Licenses.** Tenant shall procure, at its sole expense, all permits and licenses required for its operations and the transaction of business in the Premises.

9. **Assignment and Subletting.**

(a) **Transfers.** Tenant shall not, without the prior written consent of Landlord, (1) assign, transfer, or encumber this Lease or any estate or interest herein, whether directly or by operation of law, (2) permit any other entity to become Tenant hereunder by merger, consolidation, or other reorganization, (3) if Tenant is an entity other than a corporation whose stock is publicly traded, permit the transfer of an ownership interest in Tenant so as to result in a change in the current control of Tenant, (4) sublet any portion of the Premises, (5) grant any license, concession, or other right of occupancy of any portion of the Premises, or (6) permit the use of the Premises by any parties other than Tenant (any of the events listed in Section 9(a)(1) through 9(a)(6) being a "**Transfer**").

(b) **Request for Consent.** If Tenant requests Landlord's consent to a Transfer, then, at least 15 business days prior to the effective date of the proposed Transfer, Tenant shall provide Landlord with a written description of all terms and conditions of the proposed Transfer, copies of the proposed documentation, and the following information about the proposed transferee: name and address of the proposed transferee and any entities and persons who own, control or direct the proposed transferee; reasonably satisfactory information about its business and business history; its proposed use of the Premises; banking, financial, and other credit information; and general references sufficient to enable Landlord to determine the proposed transferee's creditworthiness and character. Concurrently with Tenant's notice of any request for consent to a Transfer, Tenant shall pay to Landlord a fee of \$2,500 to defray Landlord's expenses in reviewing such request.

(c) **Conditions to Consent.** If Landlord consents to a proposed Transfer, then the proposed transferee shall deliver to Landlord a written agreement whereby it expressly assumes Tenant's obligations hereunder; however, any transferee of less than all of the space in the Premises shall be liable only for obligations under this Lease that are properly allocable to the space subject to the Transfer for the period of the Transfer. No Transfer shall release Tenant from its obligations under this Lease, but rather Tenant and its transferee shall be jointly and severally liable therefor. Landlord's consent to any Transfer shall not waive Landlord's rights as to any subsequent Transfers. If an Event of Default occurs while the Premises or any part thereof are subject to a Transfer, then Landlord, in addition to its other remedies, may collect directly from such transferee all rents becoming due to Tenant and apply such rents against Rent. Tenant authorizes its transferees to make payments of rent directly to Landlord upon receipt of notice from Landlord to do so following the occurrence of an Event of Default hereunder. Tenant shall pay for the cost of any demising walls or other improvements necessitated by a proposed subletting or assignment.

(d) **Attornment by Subtenants.** Each sublease by Tenant hereunder shall be subject and subordinate to this Lease and to the matters to which this Lease is or shall be subordinate, and each subtenant by entering into a sublease is deemed to have agreed that in the event of termination, re-entry or dispossession by Landlord under this Lease, Landlord may, at its option, take over all of the right, title and interest of Tenant, as sublandlord,

under such sublease, and such subtenant shall, at Landlord's option, attorn to Landlord pursuant to the then executory provisions of such sublease, except that Landlord shall not be (1) liable for any previous act or omission of Tenant under such sublease, (2) subject to any counterclaim, offset or defense that such subtenant might have against Tenant, (3) bound by any previous modification of such sublease not approved by Landlord in writing or by any rent or additional rent or advance rent which such subtenant might have paid for more than the current month to Tenant, and all such rent shall remain due and owing, notwithstanding such advance payment, (4) bound by any security or advance rental deposit made by such subtenant which is not delivered or paid over to Landlord and with respect to which such subtenant shall look solely to Tenant for refund or reimbursement, or (5) obligated to perform any work in the subleased space or to prepare it for occupancy, and in connection with such attornment, the subtenant shall execute and deliver to Landlord any instruments Landlord may reasonably request to evidence and confirm such attornment. Each subtenant or licensee of Tenant shall be deemed, automatically upon and as a condition of its occupying or using the Premises or any part thereof, to have agreed to be bound by the terms and conditions set forth in this Section 9(d). The provisions of this Section 9(d) shall be self-operative, and no further instrument shall be required to give effect to this provision.

(e) **Cancellation.** Landlord may, within 30 days after submission of Tenant's written request for Landlord's consent to an assignment or subletting, cancel this Lease as to the portion of the Premises proposed to be sublet or assigned as of the date the proposed Transfer is to be effective. If Landlord cancels this Lease as to any portion of the Premises, then this Lease shall cease for such portion of the Premises and Tenant shall pay to Landlord all Rent accrued through the cancellation date relating to the portion of the Premises covered by the proposed Transfer. Thereafter, Landlord may lease such portion of the Premises to the prospective transferee (or to any other person) without liability to Tenant.

(f) **Additional Compensation.** Tenant shall pay to Landlord, immediately upon receipt thereof, the excess of (1) all compensation received by Tenant for a Transfer less the actual out-of-pocket costs reasonably incurred by Tenant with unaffiliated third parties (i.e., brokerage commissions and tenant finish work) in connection with such Transfer (such costs shall be amortized on a straight-line basis over the term of the Transfer in question) over (2) the Rent allocable to the portion of the Premises covered thereby.

10. **Insurance; Waivers; Subrogation; Indemnity.**

(a) **Tenant's Insurance.** Effective as of the earlier of (1) the date Tenant enters or occupies the Premises, or (2) the Commencement Date and continuing throughout the Term, Tenant shall maintain the following insurance policies: (A) commercial general liability insurance in amounts of \$1,000,000 per occurrence, \$2,000,000 general aggregate, and an Excess Limits (Umbrella) Policy in the amount of \$3,000,000, or, following the expiration of the initial Term, such other amounts as Landlord may from time to time reasonably require (and, if the use and occupancy of the Premises include any activity or matter that is or may be excluded from coverage under a commercial general liability policy [e.g., the sale, service or consumption of alcoholic beverages], Tenant shall obtain such endorsements to the commercial general liability policy or otherwise obtain insurance to insure all liability arising from such activity or matter [including liquor liability, if applicable] in such amounts as Landlord may reasonably require), insuring Tenant, Landlord, Landlord's property management company, Landlord's asset management company and, if requested in writing by Landlord, Landlord's Mortgagee, against all liability for injury to or death of a person or persons or damage to property arising from the use and occupancy of the Premises and (without implying any consent by Landlord to the installation thereof) the installation, operation, maintenance, repair or removal of Tenant's Off-Premises Equipment, (B) insurance covering the full value of all alterations and improvements and betterments in the Premises, naming Landlord and Landlord's Mortgagee as additional loss payees as their interests may appear, (C) insurance covering the full value of all furniture, trade fixtures and personal property (including property of Tenant or others) in the Premises or otherwise placed in the Project by or on behalf of a Tenant Party (including Tenant's Off-Premises Equipment), (D) contractual liability insurance sufficient to cover Tenant's indemnity obligations hereunder (but only if such contractual liability insurance is not already included in Tenant's commercial general liability insurance policy), (E) worker's compensation insurance, (F) business interruption insurance in an amount reasonably acceptable to Landlord, and (G) commercial auto liability insurance in amounts of \$1,000,000 combined single limit covering all owned, non-owned, and hired automobiles and vehicles. The commercial general liability insurance and commercial auto liability insurance to be maintained by Tenant may have a deductible of no more than \$5,000 per occurrence; the property insurance to be maintained by Tenant may have a deductible of no more than \$10,000 per occurrence; and, all other insurance to be maintained by Tenant shall have no

deductible. Tenant's insurance shall provide primary coverage to Landlord when any policy issued to Landlord provides duplicate or similar coverage, and in such circumstance Landlord's policy will be excess over Tenant's policy. Tenant shall furnish to Landlord certificates of such insurance and such other evidence satisfactory to Landlord of the maintenance of all insurance coverages required hereunder at least ten days prior to the earlier of the Commencement Date or the date Tenant enters or occupies the Premises, and at least 15 days prior to each renewal of said insurance, and Tenant shall obtain a written obligation on the part of each insurance company to notify Landlord at least 30 days before cancellation or a material change of any such insurance policies. All such insurance policies shall be in form reasonably satisfactory to Landlord, and issued by companies with an A.M. Best rating of A- VIII or better. If Tenant fails to comply with the foregoing insurance requirements or to deliver to Landlord the certificates or evidence of coverage required herein, Landlord, in addition to any other remedy available pursuant to this Lease or otherwise, may, but shall not be obligated to, obtain such insurance and Tenant shall pay to Landlord on demand the premium costs thereof, plus an administrative fee of 15% of such cost.

(b) **Landlord's Insurance.** Throughout the Term of this Lease, Landlord shall maintain, as a minimum, the following insurance policies: (1) property insurance for the Project's replacement value (excluding property required to be insured by Tenant), less a commercially reasonable deductible if Landlord so chooses, and (2) commercial general liability insurance in an amount of not less than \$1,000,000. Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary. The cost of all insurance carried by Landlord with respect to the Project shall be included in Insurance Costs. The foregoing insurance policies and any other insurance carried by Landlord shall be for the sole benefit of Landlord and under Landlord's sole control, and Tenant shall have no right or claim to any proceeds thereof or any other rights thereunder.

(c) **No Subrogation; Waiver of Property Claims.** Landlord and Tenant each waives any claim it might have against the other for any damage to or theft, destruction, loss, or loss of use of any property, to the extent the same is insured against under any insurance policy of the types described in this Section 10 that covers the Project, the Premises, Landlord's or Tenant's fixtures, personal property, leasehold improvements, or business, or is required to be insured against under the terms hereof, **regardless of whether the negligence of the other party caused such Loss** (defined below). Additionally, Tenant waives any claim it may have against Landlord for any Loss to the extent such Loss is caused by a terrorist act. Each party shall cause its insurance carrier to endorse all applicable policies waiving the carrier's rights of recovery under subrogation or otherwise against the other party. Notwithstanding any provision in this Lease to the contrary, Landlord, its agents, employees and contractors shall not be liable to Tenant or to any party claiming by, through or under Tenant for (and Tenant hereby releases Landlord and its servants, agents, contractors, employees and invitees from any claim or responsibility for) any damage to or destruction, loss, or loss of use, or theft of any property of any Tenant Party located in or about the Project, caused by casualty, theft, fire, third parties or any other matter or cause, **regardless of whether the negligence of any party caused such loss in whole or in part.** Tenant acknowledges that Landlord shall not carry insurance on, and shall not be responsible for damage to, any property of any Tenant Party located in or about the Project.

(d) **Indemnity.** Subject to Section 10(c), Tenant shall hold harmless Landlord and its representatives and agents from and against all third-party claims, demands, liabilities, causes of action, suits, judgments, damages, and expenses (including reasonable attorneys' fees) arising from any injury to or death of any person or the damage to or theft, destruction, loss, or loss of use of, any property or inconvenience (a "**Loss**") (1) occurring in or on the Project (other than within the Premises) to the extent caused by the negligence or willful misconduct of any Tenant Party, (2) occurring in the Premises, or (3) arising out of the installation, operation, maintenance, repair or removal of any property of any Tenant Party located in or about the Project, including Tenant's Off-Premises Equipment. This Section 10(d) shall survive termination or expiration of this Lease and shall not terminate or be waived, diminished or affected in any manner by any abatement or apportionment of Rent under any provision of this Lease. If any proceeding is filed for which indemnity is required hereunder, the indemnifying party agrees, upon request therefor, to defend the indemnified party in such proceeding at its sole cost utilizing counsel satisfactory to the indemnified party.

(e) **Cost of Landlord's Insurance.** Tenant shall pay its Proportionate Share of the cost of the property and liability insurance carried by Landlord from time to time with respect to the Project (including all buildings, other improvements and the Common Area and Landlord's personal property used in connection therewith), which may include fire and extended coverage insurance (including extended and broad form coverage risks, mudslide, land subsidence, volcanic eruption, flood, earthquake and rent loss insurance) and comprehensive general

public liability insurance and excess liability insurance, in such amounts and containing such terms as Landlord deems necessary or desirable (collectively, "**Insurance Costs**"). During each month of the Term, Tenant shall make a monthly payment to Landlord equal to 1/12th of its Proportionate Share of Insurance Costs that will be due and payable for that particular year. Each payment of Insurance Costs shall be due and payable at the same time as, and in the same manner as, the payment of Minimum Rent as provided herein. The initial monthly payment of Insurance Costs is based upon Landlord's good faith estimate of Tenant's Proportionate Share of the estimated Insurance Costs for the remainder of the first calendar year. The monthly payment of Insurance Costs is subject to increase or decrease as determined by Landlord to reflect accurately Tenant's estimated Proportionate Share of Insurance Costs. If, following Landlord's receipt of the bill for the insurance premiums for a calendar year, Landlord determines that Tenant's total payments of Insurance Costs are less than Tenant's actual Proportionate Share of Insurance Costs, Tenant shall pay to Landlord the difference upon demand; if Tenant's total payments of Insurance Costs are more than Tenant's actual Proportionate Share of Insurance Costs, Landlord shall retain such excess and credit it to Tenant's future payments of Insurance Costs (unless such adjustment is at the end of the Term, in which event Landlord shall refund such excess to Tenant).

11. **Subordination; Attornment; Notice to Landlord's Mortgagee.**

(a) **Subordination.** This Lease shall be subordinate to any deed of trust, mortgage, or other security instrument (each, a "**Mortgage**"), or any ground lease, master lease, or primary lease (each, a "**Primary Lease**"), that now or hereafter covers all or any part of the Premises (the mortgagee under any such Mortgage, beneficiary under any such deed of trust, or the lessor under any such Primary Lease is referred to herein as a "**Landlord's Mortgagee**"). Any Landlord's Mortgagee may elect, at any time, unilaterally, to make this Lease superior to its Mortgage, Primary Lease, or other interest in the Premises by so notifying Tenant in writing. The provisions of this Section shall be self-operative and no further instrument of subordination shall be required; however, in confirmation of such subordination, Tenant shall execute and return to Landlord (or such other party designated by Landlord) within ten days after written request therefor such documentation, in recordable form if required, as a Landlord's Mortgagee may reasonably request to evidence the subordination of this Lease to such Landlord's Mortgagee's Mortgage or Primary Lease (including a subordination, non-disturbance and attornment agreement) or, if the Landlord's Mortgagee so elects, the subordination of such Landlord's Mortgagee's Mortgage or Primary Lease to this Lease.

(b) **Attornment.** Tenant shall attorn to any party succeeding to Landlord's interest in the Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of lease, or otherwise, upon such party's request, and shall execute such agreements confirming such attornment as such party may reasonably request.

(c) **Notice to Landlord's Mortgagee.** Tenant shall not seek to enforce any remedy it may have for any default on the part of Landlord without first giving written notice by certified mail, return receipt requested, specifying the default in reasonable detail, to any Landlord's Mortgagee whose address has been given to Tenant, and affording such Landlord's Mortgagee a reasonable opportunity to perform Landlord's obligations hereunder.

(d) **Landlord's Mortgagee's Protection Provisions.** If Landlord's Mortgagee shall succeed to the interest of Landlord under this Lease, Landlord's Mortgagee shall not be: (1) liable for any act or omission of any prior lessor (including Landlord); (2) bound by any rent or additional rent or advance rent which Tenant might have paid for more than the current month to any prior lessor (including Landlord), and all such rent shall remain due and owing, notwithstanding such advance payment; (3) bound by any security or advance rental deposit made by Tenant which is not delivered or paid over to Landlord's Mortgagee and with respect to which Tenant shall look solely to Landlord for refund or reimbursement; (4) bound by any termination, amendment or modification of this Lease made without Landlord's Mortgagee's consent and written approval, except for those terminations, amendments and modifications permitted to be made by Landlord without Landlord's Mortgagee's consent pursuant to the terms of the loan documents between Landlord and Landlord's Mortgagee; (5) subject to the defenses which Tenant might have against any prior lessor (including Landlord); and (6) subject to the offsets which Tenant might have against any prior lessor (including Landlord) except for those offset rights which (A) are expressly provided in this Lease, (B) relate to periods of time following the acquisition of the Project by Landlord's Mortgagee, and (C) Tenant has provided written notice to Landlord's Mortgagee and provided Landlord's Mortgagee a reasonable opportunity to cure the event giving

rise to such offset event. Landlord's Mortgagee shall have no liability or responsibility under or pursuant to the terms of this Lease or otherwise after it ceases to own an interest in the Project. Nothing in this Lease shall be construed to require Landlord's Mortgagee to see to the application of the proceeds of any loan, and Tenant's agreements set forth herein shall not be impaired on account of any modification of the documents evidencing and securing any loan.

12. **Rules and Regulations.** Tenant shall comply with the rules and regulations of the Project which are attached hereto as Exhibit E. Landlord may, from time to time, change such rules and regulations for the safety, care, or cleanliness of the Project and related facilities, provided that such changes are applicable to all tenants of the Project, will not unreasonably interfere with Tenant's use of the Premises and are enforced by Landlord in a non-discriminatory manner. Tenant shall be responsible for the compliance with such rules and regulations by each Tenant Party.

13. **Condemnation.**

(a) **Total Taking.** If the entire Project or Premises are taken by right of eminent domain or conveyed in lieu thereof (a "Taking"), this Lease shall terminate as of the date of the Taking.

(b) **Partial Taking - Tenant's Rights.** If any part of the Project or Premises becomes subject to a Taking and such Taking will prevent Tenant from conducting on a permanent basis its business in the Premises in a manner reasonably comparable to that conducted immediately before such Taking, then Tenant may terminate this Lease as of the date of such Taking by giving written notice to Landlord within 30 days after the Taking, and Minimum Rent and Additional Rent shall be apportioned as of the date of such Taking. If Tenant does not terminate this Lease, then Minimum Rent and Additional Rent shall be abated on a reasonable basis as to that portion of the Premises rendered untenable by the Taking.

(c) **Partial Taking - Landlord's Rights.** If any material portion, but less than all, of the Project becomes subject to a Taking, or if Landlord is required to pay any of the proceeds arising from a Taking to a Landlord's Mortgagee, then Landlord may terminate this Lease by delivering written notice thereof to Tenant within 30 days after such Taking, and Minimum Rent and Additional Rent shall be apportioned as of the date of such Taking. If Landlord does not so terminate this Lease, then this Lease will continue, but if any portion of the Premises has been taken, then Minimum Rent and Additional Rent shall abate as provided in the last sentence of Section 13(b).

(d) **Temporary Taking.** If all or any portion of the Premises becomes subject to a Taking for a limited period of time, this Lease shall remain in full force and effect and Tenant shall continue to perform all of the terms, conditions and covenants of this Lease, including the payment of Minimum Rent and all other amounts required hereunder. If any such temporary Taking terminates prior to the expiration of the Term, Tenant shall restore the Premises as nearly as possible to the condition prior to such temporary Taking, at Tenant's sole cost and expense. Landlord shall be entitled to receive the entire award for any such temporary Taking, except that Tenant shall be entitled to receive the portion of such award which (1) compensates Tenant for its loss of use of the Premises within the Term and (2) reimburses Tenant for the reasonable out-of-pocket costs actually incurred by Tenant to restore the Premises as required by this Section.

(e) **Award.** If any Taking occurs, then Landlord shall receive the entire award or other compensation for the land on which the Project is situated, the Project, and other improvements taken; however, Tenant may separately pursue a claim (to the extent it will not reduce Landlord's award) against the condemnor for the value of Tenant's personal property which Tenant is entitled to remove under this Lease, moving costs, loss of business, and other claims it may have.

14. **Fire or Other Casualty.**

(a) **Repair Estimate.** If the Premises or the Project are damaged by fire or other casualty (a "Casualty"), Landlord shall, within 90 days after such Casualty, deliver to Tenant a good faith estimate (the "Damage Notice") of the time needed to repair the damage caused by such Casualty.

(b) **Tenant's Rights.** If a material portion of the Premises is damaged by Casualty such that Tenant is prevented from conducting its business in the Premises in a manner reasonably comparable to that conducted immediately before such Casualty and Landlord estimates that the damage caused thereby cannot be repaired within 270 days after the commencement of repairs (the "**Repair Period**"), then Tenant may terminate this Lease by delivering written notice to Landlord of its election to terminate within 30 days after the Damage Notice has been delivered to Tenant.

(c) **Landlord's Rights.** If a Casualty damages the Premises or a material portion of the Project and (1) Landlord estimates that the damage to the Premises cannot be repaired within the Repair Period, (2) the damage to the Premises exceeds 50% of the replacement cost thereof (excluding foundations and footings), as estimated by Landlord, and such damage occurs during the last two years of the Term, (3) regardless of the extent of damage to the Premises, the damage is not fully covered by Landlord's insurance policies or Landlord makes a good faith determination that restoring the Project would be uneconomical, or (4) Landlord is required to pay any insurance proceeds arising out of the Casualty to a Landlord's Mortgagee, then Landlord may terminate this Lease by giving written notice of its election to terminate within 30 days after the Damage Notice has been delivered to Tenant.

(d) **Repair Obligation.** If neither party elects to terminate this Lease following a Casualty, then Landlord shall, within a reasonable time after such Casualty, begin to repair the Premises and shall proceed with reasonable diligence to restore the Premises to substantially the same condition as they existed immediately before such Casualty; however, Landlord shall not be required to repair or replace any alterations or betterments within the Premises (which shall be promptly and with due diligence repaired and restored by Tenant at Tenant's sole cost and expense) or any furniture, equipment, trade fixtures or personal property of Tenant or others in the Premises or the Project, and Landlord's obligation to repair or restore the Premises shall be limited to the extent of the insurance proceeds actually received by Landlord for the Casualty in question. If this Lease is terminated under the provisions of this **Section 14**, Landlord shall be entitled to the full proceeds of the insurance policies providing coverage for all alterations, improvements and betterments in the Premises (and, if Tenant has failed to maintain insurance on such items as required by this Lease, Tenant shall pay Landlord an amount equal to the proceeds Landlord would have received had Tenant maintained insurance on such items as required by this Lease).

(e) **Continuance of Tenant's Business; Rental Abatement.** Tenant agrees that during any period of reconstruction or repair of the Premises it will continue the operation of its business within the Premises to the extent practicable, and Minimum Rent and Additional Rent for the portion of the Premises rendered untenable by the damage shall be abated on a reasonable basis from the date of damage until the completion of Landlord's repairs (or until the date of termination of this Lease by Landlord or Tenant as provided above, as the case may be), unless a Tenant Party caused such damage, in which case, Tenant shall continue to pay Rent without abatement.

15. **Taxes.**

(a) **Personal Property Taxes.** Tenant shall be liable for all taxes levied or assessed against personal property, furniture, or fixtures placed by Tenant in the Premises or in or on the Building or Project. If any taxes for which Tenant is liable are levied or assessed against Landlord or Landlord's property and Landlord elects to pay the same, or if the assessed value of Landlord's property is increased by inclusion of such personal property, furniture or fixtures and Landlord elects to pay the taxes based on such increase, then Tenant shall pay to Landlord, within 30 days following written request therefor, the part of such taxes for which Tenant is primarily liable hereunder; however, Landlord shall not pay such amount if Tenant notifies Landlord that it will contest the validity or amount of such taxes before Landlord makes such payment, and thereafter diligently proceeds with such contest in accordance with Law and if the non-payment thereof does not pose a threat of loss or seizure of the Project or interest of Landlord therein or impose any fee or penalty against Landlord.

(b) **Tax Payment.** Tenant shall pay its Proportionate Share of all taxes, assessments and governmental charges of any kind and nature whatsoever levied or assessed against the Project, and any other charges, taxes and/or impositions now in existence or hereafter imposed by any governmental authority based upon the privilege of renting the Premises or upon the amount of rent collected therefor (but not including income, inheritance, or franchise taxes), whether they be by taxing districts or authorities presently taxing the Project or by others subsequently created or otherwise (collectively, "**Taxes**"). Taxes shall also be deemed to include (i) any special taxing district assessment which is imposed in order to fund public facilities for the area in which the Project is located and

(ii) the franchise tax set forth in V.T.C.A. Tax Code section 171.0001 et seq., as the same may be amended or recorded from time to time (the "**Franchise Tax**"). Taxes shall not include federal and state taxes on income; however, if the present method of taxation changes so that, in lieu of or in addition to the whole or any part of any Taxes, there is levied on Landlord a capital tax, sales tax, or use tax directly on the rents received, or a tax, assessment or charge based, in whole or in part, upon such rents for the Project (in addition to the Franchise Tax), then all such taxes, assessments and charges, or the part thereof so based, shall be deemed to be included within the term "Taxes" for purposes hereof. During each month of the Term, Tenant shall make a monthly payment to Landlord equal to 1/12 of its Proportionate Share of Taxes that will be due and payable for that particular year (the "**Tax Payments**"). Tenant authorizes Landlord to use the funds deposited with Landlord under this Section 15(b) to pay the Taxes levied or assessed against the Project. Each Tax Payment shall be due and payable at the same time as, and in the same manner as, the payment of Minimum Rent as provided herein. The initial monthly Tax Payment is based upon Landlord's good faith estimate of Tenant's Proportionate Share of Taxes for the fiscal tax year in which the Commencement Date is to occur. The monthly Tax Payment is subject to increase or decrease as determined by Landlord to reflect accurately Tenant's Proportionate Share of Taxes. If following Landlord's receipt of all Tax bills for any fiscal tax year, Landlord determines that Tenant's total Tax Payments for such period are less than Tenant's actual Proportionate Share of the Taxes, Tenant shall pay to Landlord the difference upon demand; if Tenant's total Tax Payments exceed Tenant's actual Proportionate Share of the Taxes, Landlord shall retain such excess and credit it to Tenant's future Tax Payments (unless such adjustment is at the end of the Term, in which event Landlord shall refund such excess to Tenant). Any payment to be made pursuant to this Section 15(b) with respect to the real estate tax year in which this Lease commences or terminates shall bear the same ratio to the payment that would be required to be made for the full tax year as that part of such tax year covered by the Term of this Lease bears to a full tax year. For property tax purposes, Tenant waives all rights to protest or appeal the appraised value of the Premises, as well as the Project, and all rights to receive notices of reappraisalment.

(c) **Tax Consultant; Contest of Taxes by Landlord.** Landlord shall have the right to employ a tax consulting firm to attempt to assure a fair tax burden on the Project. Tenant shall pay to Landlord upon demand from time to time, as Additional Rent, Tenant's Proportionate Share of the cost of such service. Additionally, Landlord shall have the right to contest any tax assessment, valuation or levy against the Project, and to retain legal counsel and expert witnesses to assist in such contest and otherwise to incur expenses in such contest, and Tenant shall pay upon demand Tenant's Proportionate Share of any fees, expenses and costs incurred by Landlord in contesting any assessments, levies or tax rate applicable to the Project or portions thereof whether or not such contest is successful. If such contest results in a refund of Taxes in any year, Tenant shall be entitled to receive its Proportionate Share of such refund, pro-rated for the period with respect to which Tenant paid its share of Taxes for such year, after deducting from the refund all fees, expenses and costs incurred by Landlord in such contest.

(d) **Tax Exemption.** Landlord acknowledges that the entity executing this Lease as Tenant (the "**Original Tenant**") is a tax-exempt local government, and notwithstanding the foregoing or anything in this Lease to the contrary, Sections 15(b) and (c) shall not be applicable to the Original Tenant. In the event of a Transfer to which Landlord consents in accordance with Section 9, Original Tenant's transferee shall be subject to the requirements of Sections 15(b) and (c).

16. **Events of Default.** Each of the following occurrences shall be an "**Event of Default**":

(a) **Payment Default.** Tenant's failure to pay Rent within five days after Landlord has delivered written notice to Tenant that the same is due; however, an Event of Default shall occur hereunder without any obligation of Landlord to give any notice if Tenant fails to pay Rent when due and, during the 12 month interval preceding such failure, Landlord has given Tenant written notice of failure to pay Rent on one or more occasions.

(b) **Abandonment.** Tenant abandons or vacates the Premises or any substantial portion thereof.

(c) **Attachment.** If any execution, levy, attachment, or other process of law shall occur upon Tenant's goods, fixtures or interest in the Premises.

(d) **Estoppel.** Tenant fails to provide any estoppel certificate after Landlord's written request therefor pursuant to Section 24(e) and such failure shall continue for five days after Landlord's second written notice thereof to Tenant.

(e) **Insurance.** Tenant fails to procure, maintain and deliver to Landlord evidence of the insurance policies and coverages as required under Section 10(a).

(f) **Mechanic's Liens.** Tenant fails to pay and release of record, or diligently contest and bond around, any mechanic's lien filed against the Premises or the Project for any work performed, materials furnished or obligation incurred by or at the request of Tenant, within the time and in the manner required by Section 7(d).

(g) **Other Defaults.** Tenant's failure to perform, comply with, or observe any other agreement or obligation of Tenant under this Lease and the continuance of such failure for a period of more than 30 days after Landlord has delivered to Tenant written notice thereof.

(h) **Insolvency.** The filing of a petition by or against Tenant (the term "Tenant" shall include, for the purpose of this Section 16(h), any guarantor of Tenant's obligations hereunder) (1) in any bankruptcy or other insolvency proceeding; (2) seeking any relief under any state or federal debtor relief law; (3) for the appointment of a liquidator or receiver for all or substantially all of Tenant's property or for Tenant's interest in this Lease; (4) for the reorganization or modification of Tenant's capital structure; or (5) in any assignment for the benefit of creditors proceeding; however, if such a petition is filed against Tenant, then such filing shall not be an Event of Default unless Tenant fails to have the proceedings initiated by such petition dismissed within 90 days after the filing thereof.

17. **Remedies.** Upon any Event of Default, Landlord may, in addition to all other rights and remedies afforded Landlord hereunder or by law or equity, take any one or more of the following actions:

(a) **Termination of Lease.** Terminate this Lease by giving Tenant written notice thereof, in which event Tenant shall pay to Landlord the sum of (1) all Rent accrued hereunder through the date of termination, (2) all amounts due under Section 18(a), and (3) an amount equal to (A) the total Rent that Tenant would have been required to pay for the remainder of the Term discounted to present value at a per annum rate equal to the "Prime Rate" as published on the date this Lease is terminated by The Wall Street Journal, Southwest Edition, in its listing of "Money Rates" minus one percent, minus (B) the then present fair rental value of the Premises for such period, similarly discounted;

(b) **Termination of Possession.** Terminate Tenant's right to possess the Premises without terminating this Lease by giving written notice thereof to Tenant, in which event Tenant shall pay to Landlord (1) all Rent and other amounts accrued hereunder to the date of termination of possession, (2) all amounts due from time to time under Section 18(a), and (3) all Rent and other net sums required hereunder to be paid by Tenant during the remainder of the Term, diminished by any net sums thereafter received by Landlord through reletting the Premises during such period, after deducting all costs incurred by Landlord in reletting the Premises. If Landlord elects to proceed under this Section 17(b), Landlord may remove all of Tenant's property from the Premises and store the same in a public warehouse or elsewhere at the cost of, and for the account of, Tenant, without becoming liable for any loss or damage which may be occasioned thereby. Landlord shall use reasonable efforts to relet the Premises on such terms as Landlord in its sole discretion may determine (including a term different from the Term, rental concessions, and alterations to, and improvement of, the Premises); however, Landlord shall not be obligated to relet the Premises before leasing other portions of the Building or Project and Landlord shall not be obligated to accept any prospective tenant proposed by Tenant unless such proposed tenant meets all of Landlord's leasing criteria. Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished because of, Landlord's failure to relet the Premises or to collect rent due for such reletting. Tenant shall not be entitled to the excess of any consideration obtained by reletting over the Rent due hereunder. Reentry by Landlord in the Premises shall not affect Tenant's obligations hereunder for the unexpired Term; rather, Landlord may, from time to time, bring an action against Tenant to collect amounts due by Tenant, without the necessity of Landlord's waiting until the expiration of the Term. Unless Landlord delivers written notice to Tenant expressly stating that it has elected to terminate this Lease, all actions taken by Landlord to dispossess or exclude Tenant from the Premises shall be deemed to be taken under this Section 17(b). If Landlord elects to proceed under this Section 17(b), it may at any time elect to terminate this Lease under Section 17(a);

(c) **Perform Acts on Behalf of Tenant.** Perform any act Tenant is obligated to perform under the terms of this Lease (and enter upon the Premises in connection therewith if necessary) in Tenant's name and on Tenant's behalf, without being liable for any claim for damages therefor, and Tenant shall reimburse Landlord on demand for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease (including, but not limited to, collection costs and legal expenses), plus interest thereon at the Default Rate;

(d) **Suspension of Services.** Suspend any services required to be provided by Landlord hereunder without being liable for any claim for damages therefor; or

(e) **Alteration of Locks.** Additionally, with or without notice, and to the extent permitted by Law, Landlord may alter locks or other security devices at the Premises to deprive Tenant of access thereto, and Landlord shall not be required to provide a new key or right of access to Tenant.

18. **Payment by Tenant; Non-Waiver; Cumulative Remedies.**

(a) **Payment by Tenant.** Upon any Event of Default, Tenant shall pay to Landlord all costs incurred by Landlord (including court costs and reasonable attorneys' fees and expenses) in (1) obtaining possession of the Premises, (2) removing and storing Tenant's or any other occupant's property, (3) repairing, restoring, altering, remodeling, or otherwise putting the Premises into the same condition as they were upon delivery of possession to Tenant hereunder, reasonable wear and tear excepted, (4) if Tenant is dispossessed of the Premises and this Lease is not terminated, reletting all or any part of the Premises (including brokerage commissions, cost of tenant finish work, and other costs incidental to such reletting), (5) performing Tenant's obligations which Tenant failed to perform, and (6) enforcing, or advising Landlord of, its rights, remedies, and recourses arising out of the default. To the full extent permitted by law, Landlord and Tenant agree the federal and state courts of the state in which the Project is located shall have exclusive jurisdiction over any matter relating to or arising from this Lease and the parties' rights and obligations under this Lease.

(b) **No Waiver.** Landlord's acceptance of Rent following an Event of Default shall not waive Landlord's rights regarding such Event of Default. No waiver by Landlord of any violation or breach of any of the terms contained herein shall waive Landlord's rights regarding any future violation of such term. Landlord's acceptance of any partial payment of Rent shall not waive Landlord's rights with regard to the remaining portion of the Rent that is due, regardless of any endorsement or other statement on any instrument delivered in payment of Rent or any writing delivered in connection therewith; accordingly, Landlord's acceptance of a partial payment of Rent shall not constitute an accord and satisfaction of the full amount of the Rent that is due.

(c) **Cumulative Remedies.** Any and all remedies set forth in this Lease: (1) shall be in addition to any and all other remedies Landlord may have at law or in equity, (2) shall be cumulative, and (3) may be pursued successively or concurrently as Landlord may elect. The exercise of any remedy by Landlord shall not be deemed an election of remedies or preclude Landlord from exercising any other remedies in the future. Additionally, Tenant shall defend, indemnify and hold harmless Landlord, Landlord's Mortgagee and their respective representatives and agents from and against all claims, demands, liabilities, causes of action, suits, judgments, damages and expenses (including reasonable attorneys' fees) arising from Tenant's failure to perform its obligations under this Lease.

19. **Intentionally Deleted.**

20. **Surrender of Premises.** No act by Landlord shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises shall be valid unless it is in writing and signed by Landlord. At the expiration or termination of this Lease, Tenant shall deliver to Landlord the Premises with all improvements located therein in good repair and condition, free of Hazardous Materials placed on the Premises during the Term, broom-clean, reasonable wear and tear (and condemnation and Casualty damage not caused by Tenant, as to which Sections 13 and 14 shall control) excepted, and shall deliver to Landlord all keys to the Premises. Provided that Tenant has performed all of its obligations hereunder, Tenant may remove all unattached trade fixtures (which, for purposes of this sentence, shall not include carpeting, floor coverings, attached shelving, lighting fixtures, wall coverings, or similar improvements), furniture, and personal property placed in the Premises or elsewhere in the Project by Tenant (but Tenant may not remove any such item which was paid for, in whole or in part, by Landlord or any wiring or cabling unless Landlord requires such removal). Additionally, at Landlord's option, Tenant shall remove

such alterations, additions, improvements, trade fixtures, personal property, signs, equipment, wiring, conduits, cabling and furniture (including Tenant's Off-Premises Equipment) as Landlord may request; however, Tenant shall not be required to remove any addition or improvement to the Premises or the Project if Landlord has specifically agreed in writing that the improvement or addition in question need not be removed. Tenant shall repair all damage caused by such removal. All items not so removed shall, at Landlord's option, be deemed to have been abandoned by Tenant and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Landlord without notice to Tenant and without any obligation to account for such items; any such disposition shall not be considered a strict foreclosure or other exercise of Landlord's rights in respect of the security interest granted under Section 19. The provisions of this Section 20 shall survive the end of the Term.

21. **Holding Over.** If Tenant fails to vacate the Premises at the end of the Term, then Tenant shall be a tenant at sufferance and, in addition to all other damages and remedies to which Landlord may be entitled for such holding over, (a) Tenant shall pay, in addition to the other Rent, Minimum Rent equal to 150% of the Rent payable during the last month of the Term, and (b) Tenant shall otherwise continue to be subject to all of Tenant's obligations under this Lease. The provisions of this Section 21 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including any claims made by any succeeding tenant founded upon such failure to surrender, and any lost profits to Landlord resulting therefrom.

22. **Certain Rights Reserved by Landlord.** Provided that the exercise of such rights does not unreasonably interfere with Tenant's occupancy of the Premises, Landlord shall have the following rights:

(a) **Project Operations.** To decorate and to make inspections, repairs, alterations, additions, changes, or improvements, whether structural or otherwise, in and about the Project, or any part thereof; to enter upon the Premises (after giving Tenant reasonable notice thereof, which may be oral notice, except in cases of real or apparent emergency, in which case no notice shall be required) and, during the continuance of any such work, to temporarily close doors, entryways, public space, and corridors in the Project; to interrupt or temporarily suspend Project services and facilities; to change the name of the Project; and to change the arrangement and location of entrances or passageways, doors, and doorways, corridors, elevators, stairs, restrooms, or other public parts of the Project;

(b) **Security.** To take such reasonable measures as Landlord deems advisable for the security of the Project and its occupants; evacuating the Project for cause, suspected cause, or for drill purposes; temporarily denying access to the Project; and closing the Project after normal business hours and on Sundays and holidays, subject, however, to Tenant's right to enter when the Project is closed after normal business hours under such reasonable regulations as Landlord may prescribe from time to time;

(c) **Prospective Purchasers and Lenders.** To enter the Premises at all reasonable hours to show the Premises to prospective purchasers or lenders; and

(d) **Prospective Tenants.** At any time during the last 12 months of the Term (or earlier if Tenant has notified Landlord in writing that it does not desire to renew the Term) or at any time following the occurrence of an Event of Default, to enter the Premises at all reasonable hours to show the Premises to prospective tenants.

23. **Substitution Space.** Landlord may, at Landlord's expense, relocate Tenant within the Project to space which is comparable in size, utility and condition to the Premises. If Landlord relocates Tenant, Landlord shall reimburse Tenant for Tenant's reasonable out-of-pocket expenses for moving Tenant's furniture, equipment, and supplies from the Premises to the relocation space and for reprinting Tenant's stationery of the same quality and quantity as Tenant's stationery supply on hand immediately before Landlord's notice to Tenant of the exercise of this relocation right. Upon such relocation, Landlord's depiction of the relocation space shall be substituted as Exhibit A hereto and such relocation space shall be deemed to be the Premises and the terms of this Lease shall remain in full force and shall apply to the relocation space. No amendment or other instrument shall be necessary to effectuate the relocation contemplated by this Section; however, if requested by Landlord, Tenant shall execute an appropriate

amendment document within ten business days after Landlord's written request therefor. If Tenant fails to execute such relocation amendment within such time period, or if Tenant fails to relocate within the time period stated in Landlord's relocation notice to Tenant (or, if such relocation space is not available on the date specified in Landlord's relocation notice, as soon thereafter as the relocation space becomes available and is tendered to Tenant in the condition required by this Lease), then, in addition to Landlord's other remedies set forth in this Lease, at law and/or in equity, Landlord may terminate this Lease by notifying Tenant in writing thereof at least 60 days prior to the termination date contained in Landlord's termination notice. Time is of the essence with respect to Tenant's obligations under this Section.

24. **Miscellaneous.**

(a) **Landlord Transfer.** Landlord may transfer any portion of the Project and any of its rights under this Lease. If Landlord assigns its rights under this Lease, then Landlord shall thereby be released from any further obligations hereunder arising after the date of transfer, provided that the assignee assumes in writing Landlord's obligations hereunder arising from and after the transfer date.

(b) **Landlord's Liability.** The liability of Landlord (and its partners, shareholders or members) to Tenant (or any person or entity claiming by, through or under Tenant) for any default by Landlord under the terms of this Lease or any matter relating to or arising out of the occupancy or use of the Premises and/or other areas of the Project (including the Common Area) shall be limited to Tenant's actual direct, but not consequential, damages therefor and shall be recoverable only from the interest of Landlord in the Project, and Landlord (and its partners, shareholders or members) shall not be personally liable for any deficiency. The provisions of this Section shall survive any expiration or termination of this Lease. Additionally, Tenant hereby waives its statutory lien under Section 91.004 of the Texas Property Code.

(c) **Force Majeure.** Other than for Tenant's obligations under this Lease that can be performed by the payment of money (e.g., payment of Rent and maintenance of insurance), whenever a period of time is herein prescribed for action to be taken by either party hereto, such party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, terrorist acts or activities, governmental laws, regulations, or restrictions, quarantine or mandatory closure order enacted in response to a pandemic or other public health crises, or any other causes of any kind whatsoever which are beyond the control of such party and not attributable to its malfeasance, neglect or nonfeasance (each an event of "**Force Majeure**"), provided, that the party complies with the provisions of this paragraph. Specifically, the party asserting Force Majeure 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.

(d) **Brokerage.** Neither Landlord nor Tenant has dealt with any broker or agent in connection with the negotiation or execution of this Lease, other than Bradford Commercial Real Estate Services, whose commission shall be paid by Landlord pursuant to a separate written agreement. Tenant and Landlord shall each indemnify the other against all costs, expenses, attorneys' fees, liens and other liability for commissions or other compensation claimed by any other broker or agent claiming the same by, through, or under the indemnifying party.

(e) **Estoppel Certificates.** From time to time, Tenant shall furnish to any party designated by Landlord, within ten days after Landlord has made a request therefor, a certificate signed by Tenant confirming and containing such factual certifications and representations as to this Lease as Landlord may reasonably request. Unless otherwise required by Landlord's Mortgagee or a prospective purchaser or mortgagee of the Project, the initial form of estoppel certificate to be signed by Tenant is attached hereto as **Exhibit G**. If Tenant does not deliver to Landlord the certificate signed by Tenant within such required time period, Landlord, Landlord's Mortgagee and any prospective purchaser or mortgagee, may conclusively presume and rely upon the following facts: (1) this Lease is in full force and effect; (2) the terms and provisions of this Lease have not been changed except as otherwise represented by Landlord; (3) not more than one monthly installment of Minimum Rent and other charges have been paid in advance; (4) there are no claims against Landlord nor any defenses or rights of offset against collection of Rent or other charges; and (5) Landlord is not in default under this Lease. In such event, Tenant shall be estopped from denying the truth of the presumed facts.

(f) **Notices.** All notices and other communications given pursuant to this Lease shall be in writing and shall be (1) mailed by first class, United States Mail, postage prepaid, certified, with return receipt requested, and addressed to the parties hereto at the address specified in the Basic Lease Information, (2) hand delivered to the intended addressee, (3) sent by a nationally recognized overnight courier service, or (4) sent by facsimile transmission during normal business hours followed by a confirmatory letter sent in another manner permitted hereunder. All notices shall be effective upon delivery to the address of the addressee (even if such addressee refuses delivery thereof). The parties hereto may change their addresses by giving notice thereof to the other in conformity with this provision.

(g) **Severability.** If any clause or provision of this Lease is illegal, invalid, or unenforceable under present or future laws, then the remainder of this Lease shall not be affected thereby and in lieu of such clause or provision, there shall be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.

(h) **Amendments; Binding Effect; No Electronic Records.** This Lease may not be amended except by instrument in writing signed by Landlord and Tenant. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver is in writing signed by Landlord, and no custom or practice which may evolve between the parties in the administration of the terms hereof shall waive or diminish the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms hereof. The terms and conditions contained in this Lease shall inure to the benefit of and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as otherwise herein expressly provided. This Lease is for the sole benefit of Landlord and Tenant, and, other than Landlord's Mortgagee, no third party shall be deemed a third party beneficiary hereof.

(i) **Quiet Enjoyment.** Provided Tenant has performed all of its obligations hereunder, Tenant shall peaceably and quietly hold and enjoy the Premises for the Term, without hindrance from Landlord or any party claiming by, through, or under Landlord, but not otherwise, subject to the terms and conditions of this Lease.

(j) **No Merger.** There shall be no merger of the leasehold estate hereby created with the fee estate in the Premises or any part thereof if the same person acquires or holds, directly or indirectly, this Lease or any interest in this Lease and the fee estate in the leasehold Premises or any interest in such fee estate.

(k) **No Offer.** The submission of this Lease to Tenant shall not be construed as an offer, and Tenant shall not have any rights under this Lease unless Landlord executes a copy of this Lease and delivers it to Tenant.

(l) **Entire Agreement.** This Lease constitutes the entire agreement between Landlord and Tenant regarding the subject matter hereof and supersedes all oral statements and prior writings relating thereto. Except for those set forth in this Lease, no representations, warranties, or agreements have been made by Landlord or Tenant to the other with respect to this Lease or the obligations of Landlord or Tenant in connection therewith. The normal rule of construction that any ambiguities be resolved against the drafting party shall not apply to the interpretation of this Lease or any exhibits or amendments hereto.

(m) **Waiver of Jury Trial.** **TO THE MAXIMUM EXTENT PERMITTED BY LAW, LANDLORD AND TENANT EACH WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY LITIGATION OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE ARISING OUT OF OR WITH RESPECT TO THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED HERETO.**

(n) **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the state in which the Premises are located.

(o) **Recording.** Tenant shall not record this Lease or any memorandum of this Lease without the prior written consent of Landlord, which consent may be withheld or denied in the sole and absolute discretion of

Landlord and any recordation by Tenant shall be a material breach of this Lease. Tenant grants to Landlord a power of attorney to execute and record a release releasing any such recorded instrument of record that was recorded without the prior written consent of Landlord.

(p) **Water or Mold Notification.** To the extent Tenant or its agents or employees discover any water leakage, water damage or mold in or about the Premises or Project, Tenant shall promptly notify Landlord thereof in writing.

(q) **Joint and Several Liability.** If Tenant is comprised of more than one party, each such party shall be jointly and severally liable for Tenant's obligations under this Lease. All unperformed obligations of Tenant hereunder not fully performed at the end of the Term shall survive the end of the Term, including payment obligations with respect to Rent and all obligations concerning the condition and repair of the Premises.

(r) **Financial Reports.** Within 15 days after Landlord's request, Tenant will furnish Tenant's most recent audited financial statements (including any notes to them) to Landlord, or, if no such audited statements have been prepared, such other financial statements (and notes to them) as may have been prepared by an independent certified public accountant or, failing those, Tenant's internally prepared financial statements. If Tenant is a publicly traded corporation, Tenant may satisfy its obligations hereunder by providing to Landlord Tenant's most recent annual and quarterly reports. Landlord will not disclose any aspect of Tenant's financial statements that Tenant designates to Landlord as confidential except (1) to Landlord's Mortgagee or prospective mortgagees or purchasers of the Project, (2) in litigation between Landlord and Tenant, and/or (3) if required by court order. Tenant shall not be required to deliver the financial statements required under this Section 24(r) more than once in any 12-month period unless requested by Landlord's Mortgagee or a prospective buyer or lender of the Project or an Event of Default occurs.

(s) **Landlord's Fees.** Whenever Tenant requests Landlord to take any action not required of it hereunder or give any consent required or permitted under this Lease, Tenant will reimburse Landlord for Landlord's reasonable, out-of-pocket costs payable to third parties and incurred by Landlord in reviewing the proposed action or consent, including reasonable attorneys', engineers' or architects' fees, within ten days after Landlord's delivery to Tenant of a statement of such costs. Tenant will be obligated to make such reimbursement without regard to whether Landlord consents to any such proposed action.

(t) **Telecommunications.** Tenant and its telecommunications companies, including local exchange telecommunications companies and alternative access vendor services companies, shall have no right of access to and within the Project, for the installation and operation of telecommunications systems, including voice, video, data, Internet, and any other services provided over wire, fiber optic, microwave, wireless, and any other transmission systems ("**Telecommunications Services**"), for part or all of Tenant's telecommunications within the Project and from the Project to any other location without Landlord's prior written consent. All providers of Telecommunications Services shall be required to comply with the rules and regulations of the Project, applicable Laws and Landlord's policies and practices for the Project. Tenant acknowledges that Landlord shall not be required to provide or arrange for any Telecommunications Services and that Landlord shall have no liability to any Tenant Party in connection with the installation, operation or maintenance of Telecommunications Services or any equipment or facilities relating thereto. Tenant, at its cost and for its own account, shall be solely responsible for obtaining all Telecommunications Services.

(u) **Intentionally Deleted.**

(v) **Authority.** Tenant (if a corporation, partnership or other business entity) hereby represents and warrants to Landlord that Tenant is a duly formed and existing entity qualified to do business in the state in which the Premises are located, that Tenant has full right and authority to execute and deliver this Lease, and that each person signing on behalf of Tenant is authorized to do so, and that Tenant's organizational identification number assigned by the Texas Secretary of State is listed on the signature page of this Lease. Landlord hereby represents and warrants to Tenant that Landlord is a duly formed and existing entity qualified to do business in the state in which the Premises are located, that Landlord has full right and authority to execute and deliver this Lease, and that each person signing on behalf of Landlord is authorized to do so.

(w) **Hazardous Materials.** The term "**Hazardous Materials**" means any substance, material, or waste which is now or hereafter classified or considered to be hazardous, toxic, or dangerous under any Law relating to pollution or the protection or regulation of human health, natural resources or the environment, or poses or threatens to pose a hazard to the health or safety of persons on the Premises or in the Project. Tenant shall not use, generate, store, or dispose of, or permit the use, generation, storage or disposal of Hazardous Materials on or about the Premises or the Project except in a manner and quantity necessary for the ordinary performance of Tenant's business, and then in compliance with all Laws. If Tenant breaches its obligations under this Section 24(w), Landlord may immediately take any and all action reasonably appropriate to remedy the same, including taking all appropriate action to clean up or remediate any contamination resulting from Tenant's use, generation, storage or disposal of Hazardous Materials. Notwithstanding anything contained in Section 10(d), Tenant shall defend, indemnify, and hold harmless Landlord and its representatives and agents from and against any and all claims, demands, liabilities, causes of action, suits, judgments, damages and expenses (including reasonable attorneys' fees and cost of clean-up and remediation) arising from Tenant's failure to comply with the provisions of this Section 24(w). This indemnity provision shall survive termination or expiration of this Lease.

(x) **List of Exhibits.** All exhibits and attachments attached hereto are incorporated herein by this reference.

- Exhibit A - Outline of Premises
- Exhibit B - Description of the Land
- Exhibit C - Common Area Costs
- Exhibit D - Tenant Finish-Work
- Exhibit E - Project Rules and Regulations
- Exhibit F - Form of Confirmation of Commencement Date Letter
- Exhibit G - Form of Tenant Estoppel Certificate
- Exhibit H - *Reserved*
- Exhibit I - *Reserved*
- Exhibit J - Sign Criteria
- Exhibit K - HVAC Policy
- Exhibit J - Pet Policy

(y) **Determination of Charges.** Landlord and Tenant agree that each provision of this Lease for determining charges and amounts payable by Tenant (including provisions regarding Additional Rent and Tenant's Proportionate Share of Taxes and Electrical Costs) is commercially reasonable and, as to each such charge or amount, constitutes a statement of the amount of the charge or a method by which the charge is to be computed for purposes of Section 93.012 of the Texas Property Code.

(z) **Prohibited Persons and Transactions.** Tenant represents and warrants to Landlord that Tenant is currently in compliance with and shall at all times during the Term (including any extension thereof) remain in compliance with the regulations of the OFAC of the Department of the Treasury (including those named on OFAC's Specially Designated Nationals and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism), or other governmental action relating thereto.

(aa) **No Invasive Testing.** Tenant shall not undertake, nor shall Tenant permit any Tenant Party to undertake, any invasive investigation, drilling or sampling of the soil or groundwater at the Project without the prior written consent of Landlord, which consent shall be in Landlord's sole discretion.

(bb) **Counterparts; Electronic Signature.** This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which shall constitute one document. This Lease may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. For these purposes, "electronic signature" shall mean electronically scanned and transmitted versions (e.g., via pdf file) of an original signature, signatures electronically inserted and verified by software such as DocuSign, or faxed versions of an original signature.

[Remainder of Page Intentionally Blank]

LANDLORD AND TENANT EXPRESSLY DISCLAIM ANY IMPLIED WARRANTY THAT THE PREMISES ARE SUITABLE FOR TENANT'S INTENDED COMMERCIAL PURPOSE, AND TENANT'S OBLIGATION TO PAY RENT HEREUNDER IS NOT DEPENDENT UPON THE CONDITION OF THE PREMISES OR THE PERFORMANCE BY LANDLORD OF ITS OBLIGATIONS HEREUNDER, AND, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, TENANT SHALL CONTINUE TO PAY THE RENT, WITHOUT ABATEMENT, DEMAND, SETOFF OR DEDUCTION, NOTWITHSTANDING ANY BREACH BY LANDLORD OF ITS DUTIES OR OBLIGATIONS HEREUNDER, WHETHER EXPRESS OR IMPLIED.

This Lease is executed on the respective dates set forth below, but for reference purposes, this Lease shall be dated as of the date first above written. If the execution date is left blank, this Lease shall be deemed executed as of the date first written above.

LANDLORD:

KENNINGTON PARKWAY, LTD.,
a Texas limited partnership,
d/b/a Kennington Commercial

By: _____
Clayton Kennington,
Authorized Representative

Execution Date: _____

TENANT:

TOWN OF ADDISON, TEXAS,
a home rule municipal corporation of the State of Texas

By: _____
David Gaines,
City Manager

Execution Date: _____

EXHIBIT B

DESCRIPTION OF THE LAND

Being a 355,960 square feet or a 8.1717 acre tract of land situated in the G. W. Fisher Survey, Abstract No. 482, Dallas County, Texas and being all of Lot 1, Block A of Parkway Business Center I, an addition to the Town of Addison, Dallas County, Texas according to the map thereof recorded in Volume 81237, Page 1939, Map Records of Dallas County, Texas, said tract conveyed to Kennington No. 1 Limited Partnership by deed recorded in Volume 95096, Page 861, Deed Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a found "x" cut on concrete for a corner at the intersection of the west line of Quorum Drive (an 80 foot right of way) with the north line of Airport Parkway (a 55 foot right of way), said point being the southeast corner of said Parkway Business Center I;

THENCE, N 89° 37' 15" W, with the north line of Airport Parkway, a distance 400.00 feet to a found 1/2 inch iron rod for a corner, said point being the southwest corner of said Parkway Business Center I and said point being the southeast corner Lot 1 of Federal Express Addition as conveyed to HRC Ranch, Ltd. by deed recorded in Volume 98167, Page 2422, Deed Records of Dallas County, Texas;

THENCE, N 00° 22' 45" E, departing the north line of Airport Parkway and with the west line of said Parkway Business Center I and the east line of said Lot 1 Federal Express Addition, passing at a called distance of 566.0 feet the northeast corner of said Lot 1, Federal Express Addition and the southeast corner of Lot 1, Block A of Addison Road Keller Springs Road Addition as conveyed to Tritex Management LP by deed recorded in Volume 2004075, Page 11876, Deed Records of Dallas County, Texas, continuing in all a distance of 889.90 feet to a found 1/2 inch iron rod for a corner in the south line of Keller Springs Road (a 60 foot right of way), said point being the northwest corner of said Parkway Business Center I;

THENCE, S 89° 37' 15" E, with the south line of Keller Springs Road, a distance of 400.00 feet to a found "x" on concrete for a corner at the intersection of the south line of Keller Springs Road with the west line of Quorum Drive, said point being the northeast corner of said Parkway Business Center I;

THENCE, S 00° 22' 45" W, with the west line of Quorum Drive, a distance of 889.90 feet to the Point of Beginning.

EXHIBIT C

COMMON AREA COSTS

1. All expenses related to the ownership, operation, maintenance, management (including management fees), equipping, repair or security of the Project, including salaries, taxes (if applicable), insurance, and employee benefits;
2. All supplies and materials used in the operation, maintenance or repair of the Project, including any exterior landscaping and holiday decorations;
3. Costs of utilities for the Common Area of the Project, including the cost of water and power for heating, lighting, air conditioning and ventilating, and operating fountains;
4. All expenses related to the repair, service, or maintenance of the Project and the equipment therein, including roof repairs and replacement, window cleaning, plumbing and electrical repair, HVAC and sprinkler system maintenance and repair, signage maintenance and repair, pest control, plate glass repair and replacement, elevator maintenance and janitorial service;
5. All capital expenditures related to the ownership, operation, maintenance and repair of the Project, including those incurred to effect a reduction in the operating expenses of the Project or which relate to a capital item installed pursuant to any Law, reserves for replacement of capital items and depreciation of machinery and equipment used in connection with the Project and its maintenance; and
6. Costs of cleaning, landscaping, snow and ice removal, painting, policing, providing security (if Landlord elects to provide security), fire protection, drainage, striping, repair and replacement of parking surfaces, and of complying with Laws enacted or effective after the date hereof (or interpretations hereafter rendered with respect to any existing Law).

EXHIBIT D

TENANT FINISH-WORK: WORK OF LIMITED SCOPE (NO PLANS)

(Landlord Performs the Work)

1. **Acceptance of Premises.** Except as set forth in this Exhibit, Tenant accepts the Premises in their "AS-IS" condition on the date that this Lease is entered into.

2. **Scope of Work.** Landlord at its expense, but not to exceed \$15,000.00, shall perform the following work in the Premises according to such standards and using such types and quantities of materials as Landlord deems standard for the Project, as depicted on Schedule 1 (the "**Work**"):

- Patch nail holes and gouges in the walls in the Premises.
- Clean or replace air vent covers.
- Replace the missing fire extinguisher for fire code compliance.
- Install a half-wall with a small counter-top in the front entry of the Premises with swinging half-door.
- Remove swinging doors, interior mirrors, and shelving/hangar bar on the twin closets.
- Repaint and repair the drywall of the rear storage bay and install rubber baseboard trim.
- Cap and conceal the exposed/bare wire hanging above the storage bay door, front window, and main entryway of the Premises.
- Demo wall in rear storage area that protrudes into vehicle bay.
- Demo pressboard shelving in storage closet in rear storage area.
- Replace any damaged or discolored ceiling tiles.

In the event the Work exceeds \$15,000.00, such excess costs shall be paid solely by Tenant. Upon Substantial Completion of the Work and before Tenant occupies the Premises to conduct business therein, Tenant shall pay to Landlord an amount equal to the excess costs. In the event of default of payment of such excess costs, Landlord (in addition to all other remedies) shall have the same rights as for an Event of Default under this Lease.

3. **Definitions.** As used herein, a "**Tenant Delay Day**" means each day of delay in the performance of the Work that occurs (a) because Tenant fails to timely furnish any information or deliver or approve any required documents, or (b) because a Tenant Party otherwise delays completion of the Work. As used herein "**Substantial Completion**," "**Substantially Completed**," and any derivations thereof mean the Work in the Premises is substantially completed (as reasonably determined by Landlord). Substantial Completion shall have occurred even though minor details of construction, decoration, landscaping and mechanical adjustments remain to be completed.

Schedule 1

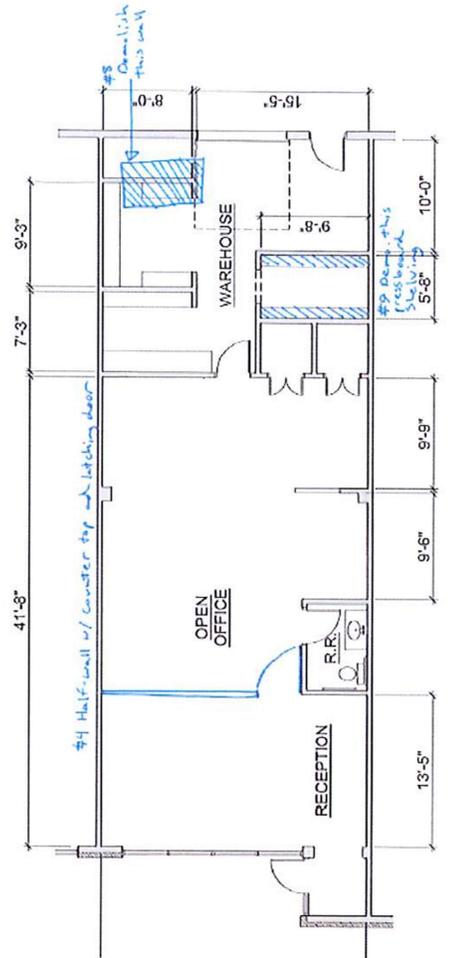


EXHIBIT E

PROJECT RULES AND REGULATIONS

The following rules and regulations shall apply to Tenant's use of Premises and the Project, and the appurtenances thereto:

1. Tenant shall not at any time occupy any part of the Building as sleeping or lodging quarters.
2. Tenant shall not place or use in or about Premises any explosives, gasoline, kerosene, oil, acids, caustics or any other inflammable, explosive or hazardous material without prior written consent of Landlord.
3. Landlord will not be responsible for lost or stolen personal property, equipment, money or jewelry from Tenant's area or public rooms regardless of whether such loss occurs when area is locked against entry or not.
4. No fowl or animals shall be brought in or about the Building except as expressly set forth in the Lease.
5. Landlord will not permit entrance to Tenant's offices by use of pass key controlled by Landlord to any person at any time without written permission by Tenant, except employees, contractors or service personnel directly supervised or employed by Landlord.
6. The landscaping, dumpsters, parking lots, sides of buildings, entry ways, doors, passages, and fire lanes are not to be blocked by any objects, including but not limited to cars, trucks, moving vans, debris, boxes or other objects. None of these areas shall be blocked or obstructed by any rubbish, litter, trash or material of any nature placed, emptied or thrown into these areas. Such areas shall not be used at any time except for access or egress by Tenant, Tenant's agents, employees or invitees.
7. The water closest and other water fixtures shall not be used for any purpose other than those for which they were constructed and any damage resulting to them from misuse or the defacing or injury of any part of the Building shall be borne by the person who shall occasion it. No person shall waste water by interfering with the faucets or otherwise. Tenant agrees to promptly notify Landlord of all leaks.
8. No person shall disturb the occupants of the building by the use of any musical instruments, radios, electronic equipment, the making of unseemly noises or other unreasonable use.
9. Tenant shall at least twice a year have the heating, ventilation and/or air conditioning system(s) completely checked out and repaired if necessary. Additionally, the Tenant shall have the filters on said system(s) changed at least on a quarterly basis.
10. Tenant will provide for his own trash pick-up and removal, except in a multi-Tenant building, Landlord shall have the option to have it done and Tenant agrees to pay his pro rata share. In a multi-Tenant building Landlord reserves the right to determine if a Tenant uses more than his/her fair share of the dumpster and to increase the CAM charge accordingly. No Tenant shall bring off-site refuse to the common area dumpster.
11. Tenant shall not conduct or operate within or about the Premises any (1) fire, auction, bankruptcy or "going out of business" sales, (2) a "wholesale" or "factory outlet" store, (3) a cooperative store, (4) a "second hand" store, (5) a "flea market" store, (6) a "surplus" store, or (7) a store commonly referred to as a "discount house." Tenant shall not advertise that it sells products or services at "discount," "cut-price" or "cut-rate" prices.
12. Tenant shall not (A) permit any objectionable or unpleasant odors to emanate from the Premises; (B) place or permit any radio, television, loudspeaker or amplifier on the roof or outside the Premises or where the same can be seen or heard from outside the Building or in the Common Area; (C) place an antenna, awning or other projection on the exterior of the Premises; (D) solicit business or distribute leaflets or other advertising material in the Common Area; (E) take any other action that would constitute a nuisance or would disturb or endanger other tenants

of the Project or unreasonably interfere with their use of their respective premises; or (F) do anything that would tend to injure the reputation of the Project.

13. The Common Area shall not be obstructed by Tenant or used for purposes other than parking, ingress and egress to and from the Premises and for going from one to another part of the Project.

14. Plumbing, fixtures and appliances shall be used only for the purposes for which designed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or deposited therein. Damage resulting to any such fixtures or appliances from misuse by Tenant or its agents, employees or invitees, shall be paid by Tenant.

15. No signs, advertisements or notices shall be painted or affixed on or to any windows or doors or other part of the Project without the prior written consent of Landlord. No nails, hooks or screws shall be driven or inserted in any part of the Project except by Project maintenance personnel.

16. Landlord shall provide all door locks in Tenant's Premises, at the cost of Tenant, and Tenant shall not place any additional door locks in the Premises without Landlord's prior written consent. Landlord shall furnish to Tenant a reasonable number of keys to Tenant's Premises, at Tenant's cost, and Tenant shall not make duplicates thereof.

17. Tenant shall not make or permit any vibration or improper, objectionable or unpleasant noises or odors in the Project or otherwise interfere in any way with other tenants or persons having business with them.

18. No machinery of any kind (other than normal office equipment) shall be operated by Tenant without Landlord's prior written consent, nor shall Tenant use or keep in the Project any flammable or explosive fluid or substance.

19. Landlord will not be responsible for lost or stolen personal property, money or jewelry from a tenant's premises or public or common areas regardless of whether such loss occurs when the area is locked against entry or not.

20. No vending or dispensing machines of any kind may be maintained in any leased premises without the prior written permission of Landlord.

21. Tenant shall not conduct any activity on or about the Premises or Project which will draw pickets, demonstrators, or the like.

22. Tenant agrees not to abuse the parking rights as provided by the building. Accordingly, the parking of cars of Tenant's personnel will not interfere with the operation of other occupants in this Building.

23. No tenant may enter into phone rooms, electrical rooms, mechanical rooms, or other service areas of the Project unless accompanied by Landlord or the Project manager.

24. Tenant will not permit any Tenant Party to bring onto the Project any handgun, firearm or other weapons of any kind, illegal drugs or, unless expressly permitted by Landlord in writing, alcoholic beverages.

EXHIBIT F

CONFIRMATION OF COMMENCEMENT DATE

_____, ____

[TENANT'S ADDRESS]

Re: Lease Agreement (the "**Lease**") dated _____, 20__, between KENNINGTON PARKWAY, LTD., a Texas limited partnership, d/b/a Kennington Commercial ("**Landlord**"), and _____, a _____ ("**Tenant**"). Capitalized terms used herein but not defined shall be given the meanings assigned to them in the Lease.

Ladies and Gentlemen:

Landlord and Tenant agree as follows:

1. **Condition of Premises.** Tenant has accepted possession of the Premises pursuant to the Lease. Any improvements required by the terms of the Lease to be made by Landlord have been completed to the full and complete satisfaction of Tenant in all respects except for the punchlist items described on Exhibit A hereto (the "**Punchlist Items**"), and except for such Punchlist Items, Landlord has fulfilled all of its duties under the Lease with respect to such initial tenant improvements. Furthermore, Tenant acknowledges that the Premises are suitable for the Permitted Use.

2. **Commencement Date.** The Commencement Date of the Lease is _____, 20__.

3. **Expiration Date.** The Term is scheduled to expire on the last day of the ___th full calendar month of the Term, which date is _____, 20__.

4. **Contact Person.** Tenant's contact person in the Premises is:

Attention: _____

Telephone: ____ - ____ - _____

Telecopy: ____ - ____ - _____

5. **Ratification.** Tenant hereby ratifies and confirms its obligations under the Lease, and represents and warrants to Landlord that it has no defenses thereto. Additionally, Tenant further confirms and ratifies that, as of the date hereof, (a) the Lease is and remains in good standing and in full force and effect, and (b) Tenant has no claims, counterclaims, set-offs or defenses against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transaction between Landlord and Tenant.

6. **Binding Effect; Governing Law.** Except as modified hereby, the Lease shall remain in full effect and this letter shall be binding upon Landlord and Tenant and their respective successors and assigns. If any inconsistency exists or arises between the terms of this letter and the terms of the Lease, the terms of this letter shall prevail. This letter shall be governed by the laws of the state in which the Premises are located.

Please indicate your agreement to the above matters by signing this letter in the space indicated below and returning an executed original to us.

Sincerely,

KENNINGTON PARKWAY, LTD.,
a Texas limited partnership, d/b/a Kennington Commercial

By: _____
Clayton Kennington,
Authorized Representative

Agreed and accepted:

[TENANT'S SIGNATURE BLOCK]

By: _____
Name: _____
Title: _____

EXHIBIT A

PUNCHLIST ITEMS

Please insert any punchlist items that remain to be performed by Landlord. If no items are listed below by Tenant, none shall be deemed to exist.

EXHIBIT G

FORM OF TENANT ESTOPPEL CERTIFICATE

The undersigned is the Tenant under the Lease (defined below) between _____, a _____, as Landlord, and the undersigned as Tenant, for the Premises in the Project located at _____, _____ and commonly known as _____, and hereby certifies as follows:

1. The Lease consists of the original Lease Agreement dated as of _____, 20____, between Tenant and Landlord[*'s predecessor-in-interest*] and the following amendments or modifications thereto (if none, please state "none"):

The documents listed above are herein collectively referred to as the "Lease" and represent the entire agreement between the parties with respect to the Premises. All capitalized terms used herein but not defined shall be given the meaning assigned to them in the Lease.

2. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in Section 1 above.

3. The Term commenced on _____, _____ and the Term expires, excluding any renewal options, on _____, 20____, and Tenant has no option to purchase all or any part of the Premises or the Project or, except as expressly set forth in the Lease, any option to terminate or cancel the Lease.

4. Tenant currently occupies the Premises described in the Lease and Tenant has not transferred, assigned, or sublet any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows (if none, please state "none"):

All monthly installments of Minimum Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through _____. The current monthly installments of Minimum Rent and Additional Rent are:

Minimum Rent	\$ _____
Common Area Costs	_____
Insurance Costs	_____
Taxes	_____
Total	\$ _____

5. All conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and Landlord is not in default thereunder. In addition, Tenant has not delivered any notice to Landlord regarding a default by Landlord thereunder.

6. As of the date hereof, there are no existing defenses or offsets, or, to the undersigned's knowledge, claims or any basis for a claim, that the undersigned has against Landlord and no event has occurred and no condition exists, which, with the giving of notice or the passage of time, or both, will constitute a default under the Lease.

7. No rental has been paid more than 30 days in advance and no security deposit has been delivered to Landlord except as provided in the Lease.

8. If Tenant is a corporation, partnership or other business entity, each individual executing this Estoppel Certificate on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in the state in which the Premises are located and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so.

9. There are no actions pending against Tenant under any bankruptcy or similar laws of the United States or any state.

10. Other than in compliance with all applicable laws and incidental to the ordinary course of the use of the Premises, the undersigned has not used or stored any hazardous substances in the Premises.

11. Tenant is not itself, and is not directly or indirectly owned, controlled or supported by, a "Specially Designated National" or otherwise designated as a blocked person under any regulation of the Office of Foreign Assets Control, U.S. Department of Treasury (see:www.ustreas.gov/offices/enforcement/OFAC).

12. All tenant improvement work to be performed by Landlord under the Lease has been completed in accordance with the Lease and has been accepted by the undersigned and all reimbursements and allowances due to the undersigned under the Lease in connection with any tenant improvement work have been paid in full.

Tenant acknowledges that this Estoppel Certificate may be delivered to Landlord, Landlord's Mortgagee or to a prospective mortgagee or prospective purchaser, and their respective successors and assigns, and acknowledges that Landlord, Landlord's Mortgagee and/or such prospective mortgagee or prospective purchaser will be relying upon the statements contained herein in disbursing loan advances or making a new loan or acquiring the property of which the Premises are a part and that receipt by it of this certificate is a condition of disbursing loan advances or making such loan or acquiring such property.

Executed as of _____.

TENANT:

_____,
a _____

By: _____
Name: _____
Title: _____

EXHIBIT H

RESERVED

EXHIBIT I

RESERVED

EXHIBIT J

SIGN CRITERIA

FRONT DOOR SIGNAGE

1. DOOR AND ADDRESS SIGNAGE 3” tall white die cut vinyl letters above door



SUBMITTAL FOR APPROVAL

1. Prior to awarding a contract for fabrication and installation, Tenant shall submit three (3) sealed drawings for final review and approval to:

Clayton Kennington
4514 Travis Street
Suite 312
Dallas, Texas 75205
214 599 -9996
www.kenningtoncommercial.com

PERMITS

All City permits and approval from the Landlord are required prior to sign fabrication.

TENANT MUST PROVIDE A COPY OF EXHIBIT J TO ITS SIGN CONTRACTOR

WINDOW SIGNAGE

Exposed neon tubing is not permitted along with sale signs, advertising signs, posters, hiring or any other signage without approval from the Landlord. Tenant shall not apply any other signs to the interior or exterior face of the storefront glass or other materials, unless specifically permitted in the lease.

SPECIFICATIONS

Introduction

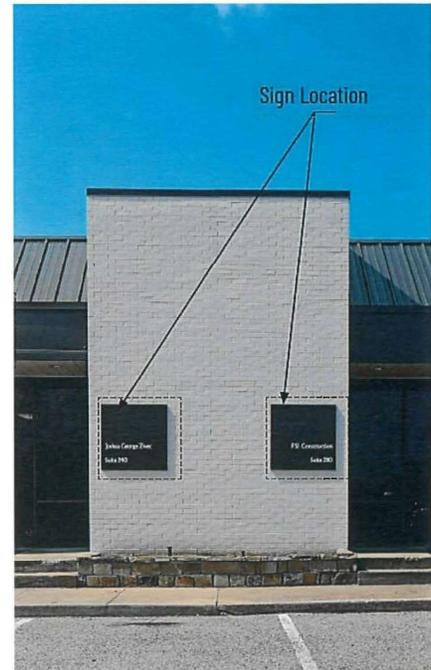
Tenant signage shall be designed to compliment the overall storefront and general building design as well as the broader design goals of the development. This Tenant Sign Criteria Manual establishes standards of first class quality and design that will ensure compatibility of Tenant signage with the development's architecture and character. The Tenant Sign Criteria establishes criteria for consistency and uniformity of tenant signage throughout the development.

Landlord's Approval

All Tenant signs are subject to prior written approval by Landlord. Landlord reserves the right to reject any signage which, in Landlord's sole opinion, is inappropriate for this development. All work related to the Tenant signs will be at Tenant's sole cost.

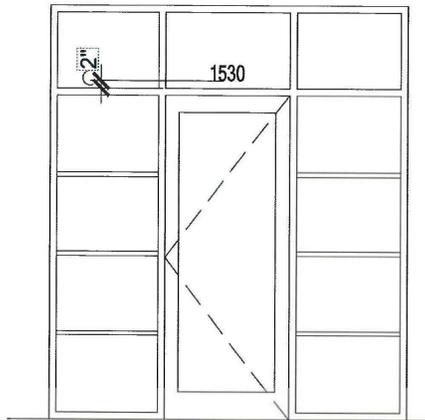
Signage Locations

Signs are already installed and are parallel to and directly next to the storefront within the limits of Tenants demised premises. Additional wall signs are not permitted.

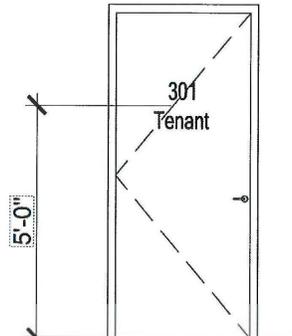


TENANT MUST PROVIDE A COPY OF EXHIBIT J TO ITS SIGN CONTRACTOR

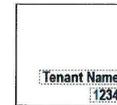
EXHIBIT J, Sign Criteria – Page J-2
4863-9214-1375v.5 018974.00182



TYPICAL STOREFRONT SUITE NUMBER



TYPICAL SERVICE DOOR SIGN



TYPICAL TENANT DIRECTORY SIGN

TENANT SERVICE DOOR

Each Tenant shall be permitted to install lettering on the rear service door to their premises. Service door signs shall be limited to the following:

1. Three-inch tall, vinyl, die-cut letters directly adhered to the door with adhesive.
2. Font: Helvetica
3. Color: White
4. Copy is limited to the suite number and Tenant name only. Tenant logos are not permitted.

TENANT SUITE NUMBERS

Each Tenant shall install suite numbers on the storefront glass at the transom above their primary entrance door identifying the suite number for their premises. Suite numbers shall be limited to the following:

1. Four-inch tall, vinyl, die-cut letters directly adhered to the glass with adhesive.
2. Font: Helvetica
3. Color: White
4. Copy is limited to the suite number only.

TENANT SIGN PLATE

All tenant directory sign will be ordered and installed by Signarama located at 14430 Midway Road, Dallas.

Contact: Jennifer Ishmael
 Jennifer@signaramadallas.com
 972-361-0700

Tenant logos or other text is not permitted. Exceptions to these requirements will not be permitted.

Address for Signage Document(s) Submission:

Attn: Salli Such, Director of Property Management
 Kennington Commercial
 4514 Travis Street
 Suite 312
 Dallas, Texas 75205

TENANT MUST PROVIDE A COPY OF EXHIBIT J TO ITS SIGN CONTRACTOR

EXHIBIT J, Sign Criteria – Page J-3
 4863-9214-1375v.5 018974.00182

EXHIBIT K

HVAC POLICY

Landlord’s obligations with respect to any HVAC units serving the Premises pursuant to this Lease are subject to this HVAC Policy and are, in all events, expressly conditioned upon Tenant’s maintenance of a quarterly HVAC Maintenance Agreement with an HVAC maintenance company acceptable to Landlord throughout the Term of the Lease and any extensions or renewals thereof.

Should Tenant fail to obtain or maintain the quarterly HVAC Maintenance Agreement or should the same otherwise lapse for any reason, then the below HVAC policy shall be void and Tenant shall be solely responsible for all costs for repair, maintenance, and/or replacement of any HVAC units serving the Premises. Notwithstanding anything to the contrary contained in this Lease or this Exhibit, Tenant shall be solely responsible for the cost of the quarterly HVAC Maintenance Agreement as well as the cost of normal wear and tear of the HVAC units serving the Premises.

1 st year of initial lease term		Landlord shall pay all costs for all repairs and/or replacements beyond normal wear and tear, as determined by Landlord.
After 1 st year of initial lease term, in addition to costs associated with the quarterly HVAC Maintenance Agreement, Tenant’s obligations with respect to HVAC repair and/or replacement shall be as follows:		
Age of Unit	1-10 years	Landlord and Tenant will equally share the cost of repairs and replacements of major components of any HVAC unit serving the Premises, as determined by Landlord. “Major components” are defined as: <ol style="list-style-type: none">1. Heat Exchanger2. Blower Motor3. Combustion Chamber4. Condenser Coil/Compressor5. Evaporator Coil Tenant shall pay all other costs for any other HVAC repairs; provided, however, in no event shall Tenant’s costs for repairs and replacements hereunder exceed \$9,500/unit per year.
	11-13 years	Tenant’s costs for repairs and replacements beyond normal wear and tear shall not exceed \$2,500/unit per year.
	14-16 years	Tenant’s costs for repairs and replacements beyond normal wear and tear shall not exceed \$1,500/unit per year.
	17-19 years	Tenant’s costs for repairs and replacements beyond normal wear and tear shall not exceed \$1,000/unit per year.
	20+ years	Tenant pays only costs associated with normal wear and tear.
If an HVAC unit serving the Premises is replaced or a new HVAC unit is installed at any after the Lease Date:		Tenant is responsible for 100% of the costs for repairs and replacements to such replaced or new HVAC unit throughout the Term of the Lease and any extensions or renewals thereof.

EXHIBIT L

PET POLICY

Tenant acknowledges that Landlord is willing to allow certain stray or abandoned dogs, cats, and other small household pets (the “**Allowed Pets**”) in the Premises and to allow limited access for such pets into the Project and through the Building to the Premises as a privilege which is subject to Tenant’s compliance with the requirements of this Exhibit. Landlord may revoke or modify the Pet Policy set forth in this Exhibit at any time in Landlord’s discretion. Landlord wishes to accommodate Tenant’s desire to allow certain animals into the Premises, however, the strict guidelines and requirements of this Exhibit must be adhered to by Tenant and any Tenant Party. The Allowed Pets are the only animals that Tenant may bring on the Project, in the Building or in the Premises.

1. Tenant shall be responsible for ensuring that the sound from the Allowed Pets does not interfere with or cause a nuisance to other tenants in the Project. In the event, in Landlord’s commercially reasonable discretion, the Allowed Pets cause interference with or a nuisance to other tenants in the Project, Tenant shall be responsible for sound proofing the Premises, at its sole cost and expense, subject to Landlord’s approval of the plans and specifications for such sound proofing. Any work required to be performed by Tenant under this Section shall be subject to Section 7 of the Lease.

2. Only the Allowed Pets will be allowed into the Building or the Premises. Tenant shall inform its employees and visitors that no pets are allowed into the Building other than the Allowed Pets. At no one time shall the number of Allowed Pets in the Building and/or the Premises exceed a total of ten (10). Notwithstanding the foregoing, up to twenty (20) Allowed Pets will be permitted in the Building and/or Premises during pet adoption events.

3. The Allowed Pets shall not be permitted anywhere in the Building other than the Premises, with the exception of walking through the Building in order to have access to and from the Premises.

4. The Allowed Pets shall be immunized and appropriately treated to prevent fleas, ticks and other parasites.

5. Allowed Pets shall be strictly controlled at all times and shall not be permitted to foul, damage or otherwise mar any part of the Project (including the Premises) or cause excessively loud noise outside of the Premises whether through barking, growling or otherwise. Pet odors and/or poor behavior (e.g., aggression, loud barking, etc.) will not be tolerated from any Allowed Pet and any pet exhibiting such behavior will be barred from entering the Project or the Building in the future.

6. Allowed Pets shall not be left unattended in the Premises and while outside the Premises (i.e., in any Common Areas of the Project), the Allowed Pets shall be kept on leashes at all times.

7. Tenant shall be responsible for any additional cleaning, repair and replacement costs and all other costs which may arise from the Allowed Pets’ presence in the Project in excess of the costs that would have been incurred had the Allowed Pets not been allowed in or around the Project.

8. Tenant shall immediately remove or clean up any pet waste including, without limitation, excrement or wet spots, from the Premises, the Building and the Project, and shall reimburse Landlord for restoration or replacement of the damaged or soiled property. Landlord shall have the right to utilize special cleaning services to remedy any such soiling or damage and Tenant shall reimburse Landlord for 100% of the cost of such services as Additional Rent under the Lease.

9. In addition to the indemnities contained in the Lease, Tenant shall be liable for, and hereby agrees to indemnify, defend and hold Landlord and its agents and representatives harmless from and against any and all claims, demands, causes of action, suits, judgments, damages and expenses (including attorneys' fees) arising from any and all acts (including but not limited to biting and causing bodily injury to, or damage to the property of, another tenant, subtenant, occupant, licensee, invitee or an employee of Landlord or its agents or representatives or to any other pet) of, or the presence of, the Allowed Pets in or about the Premises, the Building or the Project. In the event

that any Allowed Pet bites or otherwise injures any person or any other animal, Tenant must immediately cause the removal of such Allowed Pet from the Project, and in no event thereafter shall the Allowed Pet which caused the injury ever be brought to or kept at the Premises or the Project.

10. In addition to the indemnities contained in the Lease, Tenant shall be responsible for, and indemnify, defend, protect and hold Landlord and its agents and representatives harmless from and against any and all costs to remedy any and all damages caused to the Building, the Project, or any portion thereof, or to the premises or property of any occupant or visitor to the Building or the Project by an Allowed Pet. Landlord shall not be responsible in any way for the welfare of any Allowed Pet.

11. Tenant shall comply with all Laws associated with or governing the presence of a dog within the Premises and/or the Building and such presence shall not violate the certificate of occupancy for the Building or the Premises.

Council Meeting 2023

13.

Meeting Date: 02/28/2023

Department: General Services

Pillars: Excellence in Asset Management

Milestones: Implement the Asset Management Plan in accordance with the Asset Management Policy, utilizing information systems

AGENDA CAPTION:

Consider Action on a **Resolution Approving the Purchase of Three Vehicles for the Addison Police Department and Authorizing the City Manager to Execute the Purchase Agreements** in an Amount Not to Exceed \$166,248.60.

BACKGROUND:

An Asset Management System (AMS) is utilized to track the Town's vehicles. Staff reviews and evaluates the condition of the vehicles and equipment on an annual basis to determine which assets warrant replacement.

Purchasing cooperatives solicit competitive bids from many vendors for products and services for their members. Purchasing through a cooperative streamlines the procurement process for public entities, resulting in a savings of both administrative time and money. Staff identified the vendors and purchasing cooperatives in the tables below as being able to provide the replacement vehicles needed. The Interlocal Purchasing Cooperative (TIPS) is a purchasing cooperative whereby the Town may make purchases previously bid by that entity.

The Capital Equipment Replacement Fund (CERF) was established to accumulate sufficient resources to replace existing capital rolling stock and equipment that has reached the end of its useful life. Capital Equipment Replacement Fund resources are acquired through charges to operating departments. The charges are calculated using a straight-line depreciation method based on an item's expected life.

Using funds budgeted in the Fiscal Year 2023 CERF, the following vehicles are recommended for replacement based on the AMS and staff condition assessment.

Capital Equipment Replacement Funded Purchases

Item	Department	Estimated Cost	Quoted Cost	Cooperative	Vendor
------	------------	----------------	-------------	-------------	--------

2023 Chevy Tahoe FL Silver	Police	\$48,000.00	\$53,367.45	TIPS	Lake Country Chevrolet
2023 Chevy Tahoe FL Silver	Police	\$48,000.00	\$53,367.45	TIPS	Lake Country Chevrolet
2023 Chevy Tahoe LT White	Police	\$48,000.00	\$59,513.70	TIPS	Lake Country Chevrolet

The Council approved the purchase of one (1) Chevy Silverado and two (2) 2022 Chevy Tahoes on December 13, 2022, for an amount not to exceed \$163,742.15. Due to the sale of the vehicles by the upfitter, the previously approved vehicles could not be procured. The difference in the prices of the requested Tahoes is due to the trim package and quoted price differences are due to changing market conditions.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution - Addison Police Vehicle Purchase 2023

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, APPROVING THE PURCHASE OF THREE VEHICLES FOR THE ADDISON POLICE DEPARTMENT; AUTHORIZING THE CITY MANAGER TO EXECUTE THE PURCHASE AGREEMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council desires to authorize the purchase of three vehicles for the Addison Police Department; and

WHEREAS, City staff utilized several different companies, all approved cooperative purchasing providers, to identify preferred vendors and obtain purchase orders for the purchase of the above-referenced vehicle(s), further described in **Exhibit A**.

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

SECTION 1. The City Council hereby approves the purchase of the following vehicles and equipment:

<u>Item</u>	<u>Vendor</u>	<u>Department</u>	<u>Price</u>	<u>Quantity</u>	<u>Total</u>
2023 Silver FL Chevy Tahoe	Lake Country Chevrolet	Police	\$53,367.45	1	\$53,367.45
2023 Silver FL Chevy Tahoe	Lake Country Chevrolet	Police	\$53,367.45	1	\$53,367.45
2023 White LT Chevy Tahoe	Lake Country Chevrolet	Police	\$59,513.70	1	\$59,513.70

TOTAL **\$166,248.60**

SECTION 2. The City Council hereby authorizes the City Manager to execute the purchase agreements and other documents necessary for the foregoing purchases attached hereto and incorporated herein as Exhibit A.

SECTION 3. This Resolution shall take effect from and after its date of adoption.

DULY RESOLVED AND ADOPTED by the City Council of the Town of Addison, Texas, on this the **28th** day of **FEBRUARY**, 2023.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma Parker, City Secretary

EXHIBIT A



PRODUCT PRICING SUMMARY
TIPS USA 210907 Automobiles
VENDOR- 5426 LAKE COUNTRY CHEVROLET, 2152 N. WHEELER STREET JASPER, TX 75951

End User: TOWN OF ADDISON Prepared by: RICHARD HYDER
 Contact: BRAD BOGANWRIGHT 972.489.7107 Phone: 409.300.1385
 Email: SBOGANWRIGHT@ADDISONTX.GOV Email: RHYDER.COWBOYFLEET@GMAIL.COM
 Product Description: CHEVY TAHOE Date: January 13, 2023

A. Bid Item: 18 A. Base Price: \$ 41,074.20

B. Factory Options

Code	Description	Bid Price	Code	Description	Bid Price
CK10706	2023 TAHOE FL 4WD	\$ 8,975.00		REAR PARK ASSIST / REAR CAMERA	\$ -
L84	5.3L V8 W/AUTOMATIC	\$ -			
MQC	10 SPEED TRANS	\$ -		ASSIST STEPS	\$ -
RD4	20" ALUMINUM WHEELS	\$ 800.00		DEEP TINT GLASS	\$ -
ATD	3RD ROW SEAT DELETE	\$ (400.00)		WARRANTY 5YR/100,000 MILES POWER	\$ -
QAE	ALL TERRAIN TIRES	\$ 100.00			
BTV	REMOTE START	\$ 300.00			

Total of B. Published Options: \$ 9,775.00

Published Option Discount (5%) \$ (488.75)

C. Unpublished Options

Description	Bid Price	Options	Bid Price
DEFENDER UPFIT CID TAHOE ESTIMATE 34948	\$ 3,007.00	EXTERIOR - SILVER SAGE METALLIC	\$ -
		INTERIOR - JET BLACK CLOTH BENCH SEATING	\$ -
		VINYL FLOORING	
2 SILVER FL MODELS LIKE THIS AVAILABLE			
INCOMING SPRING 2023			

Total of C. Unpublished Options: \$ 3,007.00

D. Floor Plan Interest (for in-stock and/or equipped vehicles): \$ -
 E. Lot Insurance (for in-stock and/or equipped vehicles): \$ -
 F. Contract Price Adjustment: _____
 G. Additional Delivery Charge: 0 miles \$ -
 H. Subtotal: \$ 53,367.45
 I. Quantity Ordered 1 x H = \$ 53,367.45
 J. Trade in: _____ \$ -
 K. Total Purchase Price \$ 53,367.45



PRODUCT PRICING SUMMARY
TIPS USA 210907 Automobiles
VENDOR- 5426 LAKE COUNTRY CHEVROLET, 2152 N. WHEELER STREET JASPER, TX 75951

End User: TOWN OF ADDISON **Prepared by:** RICHARD HYDER
Contact: BRAD BOGANWRIGHT 972.489.7107 **Phone:** 409.300.1385
Email: SBOGANWRIGHT@ADDISONTX.GOV **Email:** RHYDER.COWBOYFLEET@GMAIL.COM
Product Description: CHEVY TAHOE **Date:** January 13, 2023

A. Bid Item: 18 **A. Base Price:** \$ 41,074.20

B. Factory Options

Code	Description	Bid Price	Code	Description	Bid Price
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		INTERIOR - JET BLACK CLOTH BENCH SEATING	\$ -
		VINYL FLOORING	
2 SILVER FL MODELS LIKE THIS AVAILABLE			
INCOMING SPRING 2023			

Total of C. Unpublished Options: \$ 3,007.00

D. Floor Plan Interest (for in-stock and/or equipped vehicles): \$ -

E. Lot Insurance (for in-stock and/or equipped vehicles): \$ -

F. Contract Price Adjustment: _____

G. Additional Delivery Charge: 0 miles \$ -

H. Subtotal: \$ 53,367.45

I. Quantity Ordered 1 x H = \$ 53,367.45

J. Trade in: _____ \$ -

K. Total Purchase Price \$ 53,367.45



PRODUCT PRICING SUMMARY
TIPS USA 210907 Automobiles
VENDOR- 5426 LAKE COUNTRY CHEVROLET, 2152 N. WHEELER STREET JASPER, TX 75951

End User: TOWN OF ADDISON Prepared by: RICHARD HYDER
 Contact: BRAD BOGANWRIGHT 972.489.7107 Phone: 409.300.1385
 Email: SBOGANWRIGHT@ADDISONTX.GOV Email: RHYDER.COWBOYFLEET@GMAIL.COM
 Product Description: CHEVY TAHOE Date: January 13, 2023

A. Bid Item: 18 A. Base Price: \$ **41,074.20**

B. Factory Options

Code	Description	Bid Price	Code	Description	Bid Price
CK10706	2023 TAHOE LT 4WD	\$ 16,350.00		REAR PARK ASSIST / REAR CAMERA	\$ -
L84	5.3L V8 W/AUTOMATIC	\$ -		WHEELS 18"X8.5" ALUMINUM	\$ -
MQC	10 SPEED TRANS	\$ -		ASSIST STEPS	\$ -
				DEEP TINT GLASS	\$ -
				WARRANTY 5YR/100,000 MILES POWER	\$ -

Total of B. Published Options: \$ **16,350.00**

Published Option Discount (5%) \$ **(817.50)**

C. Unpublished Options

Description	Bid Price	Options	Bid Price
DEFENDER UPFIT CID TAHOE ESTIMATE 34948	\$ 3,007.00	EXTERIOR - WHITE	\$ -
		INTERIOR - JET BLACK CLOTH BUCKET SEATING	\$ -
		CARPET FLOORING	\$ -
1 WHITE LT MODEL LIKE THIS AVAILABLE			
INCOMING SPRING 2023			

Total of C. Unpublished Options: \$ **3,007.00**

D. Floor Plan Interest (for in-stock and/or equipped vehicles): \$ -

E. Lot Insurance (for in-stock and/or equipped vehicles): \$ -

F. Contract Price Adjustment: \$ **(100.00)**

G. Additional Delivery Charge: 0 miles \$ -

H. Subtotal: \$ **59,513.70**

I. Quantity Ordered 1 x H = \$ **59,513.70**

J. Trade in: \$ -

K. Total Purchase Price \$ **59,513.70**

Council Meeting 2023

14.

Meeting Date: 02/28/2023

Department: Parks & Recreation

Pillars: Optimize the Addison Brand

Milestones: Define and promote Addison Identity

AGENDA CAPTION:

Consider Action on a **Resolution Approving an Agreement with SRH Landscapes, LLC for Parks and Airport Properties and Right of Way Maintenance; and, Authorizing the City Manager to Execute the Agreement** in an Amount Not to Exceed \$184,370.

BACKGROUND:

The Parks Department has historically managed two contracts for landscape maintenance of the following areas: Arapaho Road Medians, Belt line Road Medians, Belt Line Road easement landscape beds, Airport Offices and Customs Facility, Dallas Parkway Right-of-Way (ROW), Fiori streetscape, Vitruvian Way medians, Savoye 1 streetscape, Park Road ROW and parking lot islands, Savoye 2 streetscape, Vitruvian Park, George W. Bush Elementary School, Spring Valley Road / Loos ROW, Spring Valley Road medians, South Redding Trail connector, Surveyor Water Tower, Midway Road medians and easement areas. Historically, one vendor has provided services for both contracts. Staff combined these contracts, added the Addison Grove Parks and various Airport properties to the contract, and issued an RFP for landscape maintenance services for all of these areas.

The Airport properties included in the bid are: Airport easement bi-weekly mowing at Airport Parkway, 4581 Claire Chennault Drive, Dooley Road, George Haddaway Drive, 4555 and 4680 Glen Curtiss Drive, Jimmy Doolittle Drive, Lindebergh Drive and Westgrove Drive. The Airport easement properties are not irrigated and are currently mowed on an as-needed basis utilizing compliance mowing contractors. This contract will increase the frequency of mowing of these properties to a bi-weekly schedule. The scope of work under this contract includes turnkey landscape maintenance of all planted trees, shrubs, turf, ground cover, annuals, perennials and irrigation.

A bid was posted to Periscope (formerly Bid Sync) on January 11, 2023 and was closed on February 7, 2023. Four (4) vendors submitted bids:

Summary of Bids

Vendor	Bid Amount*
SRA Landscapes, LLC	\$184,370.00
Carruthers Landscape Management, Inc.	\$224,630.00
LOD, LTD. d/b/a/ Lawnscape of Dallas	\$322,556.02
Richmand & Associates Landscaping	\$886,319.22

*Includes \$10,000 for as-needed irrigation repairs.

After checking references and confirming the bid amount with the contractor, the Town has identified SRA Landscapes as the lowest responsible bidder. Staff is bringing forward a maintenance contract with SRA Landscapes for consideration by Council for an amount not to exceed \$184,370, which is below the budgeted amount. This is an annually renewable contract that can be extended for five (5) twelve-month periods under the same terms and conditions as the original contract. The Parks Operations Budget will pay for \$173,135 and the Airport Operations Budget will pay for \$11,235. Both of these are in the general fund.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution - SRH Landscape Maintenance

Proposal - SRH

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING AN AGREEMENT WITH SRH LANDSCAPES LLC FOR PARKS AND AIRPORT PROPERTIES AND RIGHT OF WAY MAINTENANCE IN AN AMOUNT NOT TO EXCEED \$184,370.00; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council desires to authorize an agreement with SRH Landscapes LLC, for maintenance of various public rights-of-way, parks and airport properties in conformance with the Town's Request for Proposals #23-52.

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 SRH Landscapes, LLC, for maintenance of various public rights-of-way, parks and airport properties in an amount not-to-exceed of \$184,370.00, inclusive of a \$10,000.00 contingency for 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 **28th** day of **FEBRUARY 2023**.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma Parker, City Secretary

EXHIBIT A

CONTRACT SERVICES AGREEMENT

Parks and Airport Properties and Right of Ways Maintenance
Request for Proposals # 23-52

This Contract Services Agreement (“Agreement”) is made by and between the **Town of Addison, Texas** (“City”), and **SRH Landscapes, LLC** (“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

On an as-needed basis upon notice to proceed by City, Contractor agrees to provide the necessary services, labor, materials, equipment and supplies related to City Request for Proposals # 23-52 for on-call parks and airport and right of ways maintenance, such services in conformance with the Contract Documents (defined below). 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 become effective on the last date of execution hereof (the “Effective Date”) and shall remain in effect for a period of one (1) year (the “Initial Term”), unless sooner terminated as provided in this Agreement. The parties may, upon mutual written agreement, renew this Agreement for up to five additional one (1) year periods (each a “Renewal Term”). City may, in its sole discretion, extend the term hereof as necessary to allow Contractor to complete work on any uncompleted work authorized by City prior to the expiration of this Agreement. Notwithstanding the foregoing, this Agreement may be sooner terminated as provided herein.

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) City’s Request for Proposals # 23-52;
- (3) City’s written notice(s) to proceed to the Contractor;
- (4) Properly authorized change orders;
- (5) Contractor’s Bid Proposal (“Proposal” and/or “Response”); and
- (6) 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 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) 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.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

(h) 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

(a) 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.

(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 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) Compensation; 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. Contactor acknowledges that the City's total budget for the services has been established in an amount not to exceed \$184,370 per annual term, inclusive of a \$10,000 owner contingency to be used for irrigation parts & labor. Contractor further acknowledges that City may select one or more additional contractors to provide the services under this Agreement and that Contractor shall not be entitled to a minimum amount of compensation during the term hereof. 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) Deductions. 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 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 ten (10) 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]

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

For City:

For Contractor:

TOWN OF ADDISON, TEXAS

SRH LANDSCAPES LLC

By: _____
David Gaines, City Manager

By:  _____
Tyler Hawkins, President

Date: _____

Date: February 16, 2023

Notice Address:

Notice Address:

Town of Addison
Attn: David Gaines, City Manager
P.O. Box 9010
Town of Addison, Texas 75001
E: dgaines@addisontx.gov

SRH Landscapes LLC
Attn: Tyler Hawkins, President
PO Box 796754
Dallas, Texas 75379
E: jh@srhtrees.com
th@srhtrees.com

Town of Addison Texas

Finance Building

5350 Belt Line Road Dallas, Texas 75254

Attn: Purchasing Department

**Solicitation #23-52 Parks and Airport Properties and Right of Ways
Maintenance**

Submitted By:

SRH Landscapes LLC

PO BOX 796754

Dallas, Texas 75379



Statement of Qualifications / Firm History

SRH Landscapes LLC is a full service, landscape, irrigation and hardscape contractor serving the Dallas / Ft Worth Metroplex area since 2016. We operate out of five offices in the State of Texas.

Employees: 125 Full Time

Bonding Capacity: 2MM Single Job, 6MM Aggregate

Insurance: General Liability 1MM Each Occurrence, 1MM Personal Injury,
2MM each General Aggregate & Products COMP/OP AGG.
Auto: 1MM Any Auto
Umbrella: 5MM each Occurrence & Aggregate
Workman Comp: 1MM
Pollution Liability – 5MM

All employees are safety trained through TEXO's Safety First Program in which each laborer receives and OSHA 10 hour training card and each supervisor receives a 30 hour card. Weekly jobsite toolbox talks are conducted and documented with a scheduled topic pertaining to the jobsite safety analysis conducted before each project is started. All employees are uniformed and badged.

A copy of SRH Landscapes LLC Safety and Health Plan is available upon request.

Construction Project References

DFW Airport – Irrigation System Maintenance – DFW Airport Texas – Five Years of irrigation maintenance, installation, and repair at DFW Airport. Contract Brian White. Ongoing.

Lt Russell Steindam Park – City of Plano Texas – SRH Landscapes recently completed an extensive renovation of Lt Russell Steindam Park in Plano Texas. The old irrigation system was completely abandoned and removed. A new state of the art Motorola system was installed with four points of connection, 4” and 6” mainline, 6” copper supply line, large rotor zones and a booster pump package running off of a VFD. This project was completed in five months from start to finish during an abnormally rainy summer.

Grand Treviso Rooftop Pool Deck - Irving Texas – Complete roof top pool deck landscape renovation including crane work, drainage replacement, soil importation, trees, plants and ongoing maintenance. – Completed March 2019

Lantana Community Barrington Phase B&C Entry and Park features– Hardscape construction to include drainage, drop inlets, and tie in to storm water system, 8’ wide concrete trail and associated grading. Landscape to include trees, sod, hydromulch, remote controlled irrigation system and associated appurtenances. – Completed June 2019

City of Richardson Texas – Main Street Rehabilitation Project – Hardscape renovation of Main Street in Richardson Texas – Installation of custom soil blend, silva-cell engineered support system, tree grates, irrigation and drainage. Completion – Spring 2021

Town of Highland Park Texas – Preston Road Streetscape Improvements – One Mile of Streetscape Renovations including Central Control Irrigation, Trees, Sodding From Mockingbird Ln to Armstrong Parkway. Completion May 2020

DFW International Airport – Rehab Landside Roadways, Bridges and Crossunders - One million plus dollars of irrigation and sod renovations in various locations on DFW Airport Landside Campus. Irrigation central control and systems integration. Up to 10” mainline both reclaimed and potable water. Scheduled completion Spring 2021

Plum Creek Park – City of Frisco Texas – Complete landscape, irrigation, sodding, utility work on a 7 ac park in Frisco Texas owned by the City of Frisco. 60 Station remote CCU irrigation controller, Sodding, planting, replacement of 800’ of 8” reclaimed water line along with GPS as built, various tree plantings etc. Completed February 2018.

Watters Branch Community Park – AKA Spirit Park – Allen Texas – Took over from an underperforming sub-contractor for a General Contractor based in the Celina Area. Completed irrigation and repaired multiple issues located during project from previous sub-contractor. Installed and commissioned Motorola 112 station remote irrigation controller as well as 25hp irrigation supply pump. Supply & Installed over 11 ac of Hydro Mulch to the project. Completion December 2018

Dallas Love Field Airport – Completed 42 Acres of Hydromulch in a five (5) day window of runway closure to prevent additional erosion from the Runway safety area. Mix of Rye and Unhull Bermuda with Wood Lok Applegate Mulch. – Completed December 2019

CONSTRUCTION REFERENCES

Phone numbers available upon request

City of Plano Texas – Gail Buntain – Parks Renovation Director – Gbuntain@plano.gov

North Texas Tollway Authority – Michael Whaley – Landscape Director – mwhaley@ntta.org

John Armstrong – Armstrong Berger – armberg@armberg.com

DFW International Airport – Brian White – Irrigation Manager – bwhite@dfwairport.com

Town of Highland Park Texas – Kathleen Stewart – Town Services Director – kstewart@hptx.org

Scott Heidman – Irrigation Station – Scott.heidman@irrigationstation.com

MAINTENANCE REFERENCES

North Texas Tollway Authority – Michael Whaley – Landscape Director – mwhaley@ntta.org 214-224-2313 – 2016 to Date. Facilities Landscape Maintenance, Maintenance of President George Bush Turnpike and Chisholm Trail Parkway 2021 to Date. Appx 1300ac of mowing per week.

Town of Highland Park Texas- Michael Rangel – Landscape Director- mrangel@hptx.org – 214-549-5490 – Various Maintenance and Construction Projects 2016 to date

City of Rockwall Texas – Kyle Pullen, kpullen@rockwall.com – 214-708-0544 – Landscape Mowing and Maintenance – 2020 to Date.

City of Keller Texas – Cody Maberry – cmaberry@cityofkeller.com – 817-743-4002 – Landscape maintenance of Keller City Hall and various City Facilities.

Key Personnel

Tyler Hawkins, President / Project Manager – Fifteen (15) years experience in the landscape and horticultural field. MS Civil Engineering, Texas Tech University. Owner and managing director of SRH Landscapes LLC based in Dallas Texas. Owner of SRH Trees, Inc. a 220 ac nursery & tree farm located 45 minutes west of Dallas.

Gonzalo Morales – Sr. Superintendent – Twenty-Five (25) years of landscape construction experience. Employee of SRH Landscapes for five years. Previously at Lamberts Landscape. Experience managing landscape & Irrigation construction projects up to five million dollars.

Juan Perez – Sr Superintendent – Eighteen Years (18) of landscape construction experience specializing in heavy highway and civil landscape construction. Projects up to three million dollars.

Jose Escobedo Sr. Superintendent – Twenty-Three Years of landscape construction experience. Previously of Lambers Landscape Company. Responsibility for Hardscape, Landscape and Irrigation construction.

Brandon Hennigan – Landscape Maintenance Division Manager – Twelve years experience in landscape maintenance cultivation utilizing Best Horticultural Practices style of landscape management.

Mateo Gonzales – Fort Worth Branch Manager – 16+ years Experience in commercial landscape maintenance. Various customers include multiple PID and Municipal Water Districts.

James Criswell – Sr. Construction Estimator – Thirty Plus years of landscape estimating experience in both the Commercial and Municipal Field including NTTA, TxDot, Town of Highland Park, City of Plano Texas and various other municipal and governmental entities.

Jon Pareti- Irrigation Division Manager- Twenty-seven years experience in irrigation system installation and repair. Control systems includes Motorola, rainbird, hunter, calsense. Vast experience with booster pump installation and large mainline systems.

Scott Heidman – Irrigation Consultant – Thirty Years Landscape Irrigation Experience. Expert in central control systems including Baseline, Motorola, Rainbird, Hunter Etc.

Equipment List

All equipment is model year 2017 or newer.

Construction Division

5 – International Terrastar Crew Vehicles with matching 20' equipment trailers

2 – Ford F-350 Flatbed Crew trucks

4- John Deere 317G Compact Track Loaders

4-John Deere Mini Excavators in various configurations from 26G to 60G

2- Horizontal Directional Drill – Ditch Witch JT 10 and JT 20 – 2021 models.

Assorted implements, hand tools, compactors, 2 Finn T-170 Hydromulch Machines. Trenchers, etc

Maintenance Division

14- Isuzu NPR Maintenance Box/Flatbed Truck – Fully equipped for landscape maintenance. Each truck contains two John Deere Z960 zero turn mowers in either 60 or 72” Configuration. Fully outfitted with Blowers, Edgers, Weed Eaters, and staffed by a crew of four to six employees per truck.

John Deere 5085E & 5100E 4WD Utility Tractors – 3 available, each equipped with John Deere M15 Batwing Mowers

Toro Groundsmaster 5900 – 5.

Toro Groundsmaster 4000D - 5

All Equipment is year model 2015 or newer.

SRH Landscapes has partnered with Austin Turf and Tractor as part of their “Parts On-Site Maintenance Program”. A copy of that program is attached. This allows us to keep a fully stocked parts cabinet on site at our headquarters to mitigate downtime and lost time. SRH Landscapes maintains an open Line of Credit with John Deere Financial and is in good standing.

SRH Landscapes LLC

Town of Addison Operation Plan

SRH Landscapes utilizes a comprehensive Landscape Management plan to oversee crew activities. The hierarchical approach utilized on the project will ensure success to both the client and SRH Landscapes. A project of this size and nature will have a dedicated Project Manager who is responsible for direct communication with the client, quality control over the sites, and direct supervision of the crews. Crew Leaders / Drivers will oversee the direct supervision of their crew members. We do not deviate or switch crews and sites. The same crew will service the same site every maintenance period.

Crews for this Project

There will be a dedicated account manager that will be onsite and in direct communication with the Town and will convey all needs and strategies to the Foremen.

This project will have 1 crew of 5 men for the Weekly Maintenance, consisting of a working foreman and 4 laborers. All crew members are tractor operators and operate trimmers, edgers, and blowers as well. We also will have a chemical applicator whose credentials are below.

Upon arrival each crew will check the trash cans onsite and do a visual inspection of litter on the property. The tractor drivers will also have pickers to grab any other small debris as they mow the site.

All vehicles and mowers have safety lights and the trucks are equipped with “men working” signs and traffic cones. We do not anticipate any other forms of traffic control needed, however in the event it is needed, we subcontract this out to professional traffic control companies who we work with on a regular basis.

We understand the importance of litter control on this contract and will make sure all litter is taken offsite. Our shop is equipped with Roll Off dumpsters and our accounts with all of the local landfills are in good standing.

We do not anticipate any need for staging areas with our equipment. When we are on site we will keep our vehicle and/or trailers locked up and transport all necessary equipment each visit.

Safety is always the number one priority. The tractors are equipped with mulching kits and the crews are trained to mow with mowing chute facing away from any adjacent roadways. The crews are also trained to shut down equipment if any pedestrian or park patron comes within 50ft of their work area. Each truck is equipped with First Aid kits and each crew will have a list of nearby Urgent Care facilities and Hospitals to correspond with that route.

The schedule of anticipated work days is broken down in the attached, “Crew Schedule”. This schedule has built in “Recovery or Flex” days every week in the anticipation of weather days. During the slower times of the year over the course of this 31 cycle year the off week will be utilized to recover schedules. During the growing season when sites are mowed weekly we will use the Recovery Day built into the schedule and if necessary we can pull extra help from our nearby Dallas and Ft Worth offices.

SRH Landscapes partners with various vendors and suppliers in the Landscape Industry. For hard-good items we utilize companies such as Site One Landscape Supply, Living Earth Technologies, Irrigation Station Etc. For equipment repair, SRH Landscapes has two full time mechanics on staff that float

between our Dallas and Fort Worth offices. We are enrolled in Austin Turf's Parts on time program that allows us to stock common wear items on both our crew trucks as well as a fully stocked parts supply cabinet at both our Dallas and Fort Worth locations. The South District Flex crew is also available for two and one half extra days per servicing period to make up if other personnel are absent. We keep a fully stock spare truck ready at all times if we have vehicle issues.

This project is mostly turf based with very few sites requiring bed maintenance or servicing. Our plan for four crews will allow us to achieve a full cycle in four days with one day of float. In establishing this maintenance plan we have used industry standards to guide us as we strive to provide The Town of Addison with world class ROW's, municipal buildings, and park facilities. To achieve and maintain these standards we look to hire the right people for the right job and provide necessary training and professional development.

To provide safe and appealing Turf grass areas for all users of Addison's parks and grounds, including municipal buildings grounds. Maintenance of Turf grass playing surfaces for all park areas will focus on safety and playability through the entire season. A close relationship and excellent communication with the Town and daily users of the park facilities, via feedback from the Town, will be paramount to the success of the maintenance plan. The overall Turf grass maintenance philosophy will be geared toward implementing industry accepted cultural best practices to help reduce the need for pesticide applications.

SRH Landscapes implements a tier level of quality control that starts with a weekly schedule and advances through to a quarterly inspection report and review of each crews' performance along with consultation of consultants if necessary. Reporting is as follows.

Weekly/Monthly Maintenance Schedule

Each week/month a maintenance schedule shall be completed and reviewed internally with the Town of Addison. This is to ensure the proper maintenance is being applied and determine if there are any deficiencies. During periods of plant establishment, weekly schedules will be required, and as plants mature, schedules can be adjusted as necessary per Town of Addison direction.

Monthly Maintenance Report

Monthly reports for shall include maintenance progress and deficiencies for each landscape / park zone.
The report shall include but not be limited to:

- Planting areas and zones maintained
- Plant conditions and high-priority plant maintenance tasks
- Irrigation/water observations
- Changes to irrigation schedule and repairs
- Soil erosion due to foot traffic, run-off, curb-cuts, etc

Quarterly Inspections Report

Quarterly reports shall be conducted by the Branch Manager and Project Manager during plant

establishment periods to ensure plant health. After the establishment period, reports can be bi-annual, where applicable. The report shall include but not be limited to:

- Overall plant conditions and high-priority areas
- Water use, irrigation, and erosion observations
- Exhausted tasks (those tasks no longer needed)
- New task(s)
- Suggestions/Requests

Coordination with Consultants

The Landscape Management Plan may require the consulting services of qualified biologists, arborists, water managers, landscape architects, landscape technicians, and soil engineers. The Project Manager will be responsible for obtaining the correct specialists for the project.

Maintenance cost

ITEM NO.	Work performed	Unit cost	Scope requirements / Number of cycles	Extended Price
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Park Properties

Arapaho Road				
	Mowing	\$ 60.00	40 mowing cycles	\$ 2,400.00
	Pre-emergent	\$ 125.00	Twice a year	\$ 250.00
	Post emergent	\$ 125.00	1 a year	\$ 125.00
	Trimming of ground cover	\$ -	40 mowing cycles	included
	Fire Ant treatment	\$ 125.00	1 time	\$ 125.00
	Mulching of beds and tree wells	\$ 250.00	2 x year	\$ 500.00
	Limbing up tree	\$ 1,200.00	Once a year	\$ 1,200.00
	Trimming of prennials	\$ 450.00	1 time	\$ 450.00
	Aeoration of turf areas	\$ 250.00	1 time	\$ 250.00
	Fertilizing Beds	\$ 250.00	3 times	\$ 750.00
	Irrigation checks and repair -hourly rate, Irrigator	\$ 125.00	12 months	
	Irrigation checks and repairs- hourly rate, helper	\$ 75.00	12 months	
Total				\$ 6,050.00

Airport and Customs building				
	Mowing	\$ 90.00	40 mowing cycles	\$ 3,600.00
	Pre-emergent	\$ 187.50	Twice a year	\$ 375.00
	Post emergent	\$ 187.50	1 a year	\$ 187.50
	Trimming of ground cover	\$ -	40 mowing cycles	included
	Fire Ant treatment	\$ 110.00	1 time	\$ 110.00
	Mulching of beds and tree wells	\$ 250.00	2 x year	\$ 500.00
	Limbing up tree	\$ 200.00	Once a year	\$ 200.00
	Trimming of prennials	\$ -	1 time	included
	Fertlizing turf	\$ 187.50	3 times	\$ 562.50
	Irrigation checks and repair -hourly rate, Irrigator	\$ 125.00	12 months	
	Irrigation checks and repairs- hourly rate, helper	\$ 75.00	12 months	
Total				\$ 5,535.00

Belt Line Road easment landscape beds				
	Pre-emergent	\$ 150.00	Twice a year	\$ 300.00
	Post emergent	\$ 175.00	1 a year	\$ 175.00
	Trimming of ground cover	\$ -	40 mowing cycles	included
	Fire Ant treatment	\$ 75.00	1 time	\$ 75.00
	Mulching of beds and tree wells	\$ 500.00	2 x a year	\$ 1,000.00
	Trimming of prennials	\$ 450.00	1 time	\$ 450.00
	Irrigation checks and repair -hourly rate, Irrigator	\$ 125.00	12 months	
	Irrigation checks and repairs- hourly rate, helper	\$ 75.00	12 months	
Total				\$ 2,000.00

Belt Line Road center median				
	Mowing	\$ 90.00	40 mowing cycles	\$ 3,600.00
	Pre-emergent	\$ 187.50	Twice a year	\$ 375.00
	Post emergent	\$ 187.50	1 a year	\$ 187.50
	Trimming of ground cover	\$ -	40 mowing cycles	included
	Fire Ant treatment	\$ 110.00	1 time	\$ 110.00
	Mulching of beds and tree wells	\$ 500.00	2 x year	\$ 1,000.00
	Limbing up tree	\$ 1,800.00	Once a year	\$ 1,800.00
	Trimming of prennials	\$ 250.00	1 time	\$ 250.00
	Irrigation checks and repair -hourly rate, Irrigator	\$ 125.00	12 months	
	Irrigation checks and repairs- hourly rate, helper	\$ 75.00	12 months	

			<i>Total</i>	\$ 7,322.50
Dallas Parkway North and South				
	Mowing	\$ 180.00	<i>40 mowing cycles</i>	\$ 7,200.00
	Pre-emergent	\$ 375.00	<i>Twice a year</i>	\$ 750.00
	Post emergent	\$ 375.00	<i>1 a year</i>	\$ 375.00
	Trimming of ground cover	\$ -	<i>40 mowing cycles</i>	included
	Fire Ant treatment	\$ 225.00	<i>1 time</i>	\$ 225.00
	Mulching of beds and tree wells	\$ 1,500.00	<i>2 x year</i>	\$ 3,000.00
	Limbing up tree	\$ 2,500.00	<i>Once a year</i>	\$ 2,500.00
	Trimming of prennials	\$ 1,000.00	<i>1 time</i>	\$ 1,000.00
	Irrigation checks and repair -hourly rate, Irrigator	\$ 125.00	<i>12 months</i>	
	Irrigation checks and repairs- hourly rate, helper	\$ 75.00	<i>12 months</i>	
			<i>Total</i>	\$ 15,050.00

Dallas Parkway North and South				
	Mowing	\$ 180.00	<i>40 mowing cycles</i>	\$ 7,200.00
	Pre-emergent	\$ 375.00	<i>Twice a year</i>	\$ 750.00
	Post emergent	\$ 375.00	<i>1 a year</i>	\$ 375.00
	Trimming of ground cover	\$ -	<i>40 mowing cycles</i>	included
	Fire Ant treatment	\$ 225.00	<i>1 time</i>	\$ 225.00
	Mulching of beds and tree wells	\$ 1,500.00	<i>2 x a year</i>	\$ 3,000.00
	Limbing up tree	\$ 2,500.00	<i>Once a year</i>	\$ 2,500.00
	Trimming of prennials	\$ 1,000.00	<i>1 time</i>	\$ 1,000.00
	Irrigation checks and repair -hourly rate, Irrigator	\$ 125.00	<i>12 months</i>	
	Irrigation checks and repairs- hourly rate, helper	\$ 75.00	<i>12 months</i>	
			<i>Total</i>	\$ 15,050.00

George Bush Elementary				
	Mowing	\$ 450.00	<i>40 mowing cycles</i>	\$ 18,000.00
	Pre-emergent	\$ 937.50	<i>Twice a year</i>	\$ 1,875.00
	Post emergent	\$ 937.50	<i>1 a year</i>	\$ 937.50
	Trimming of ground cover	\$ -	<i>40 mowing cycles</i>	included
	Fire Ant treatment	\$ 550.00	<i>1 time</i>	\$ 550.00
	Mulching of beds and tree wells	\$ 2,000.00	<i>2 x a year</i>	\$ 4,000.00
	Limbing up tree	\$ 2,200.00	<i>Once a year</i>	\$ 2,200.00
	Trimming of prennials	\$ -	<i>1 time</i>	included
	Aeoration of turf areas	\$ 750.00	<i>1 time</i>	\$ 750.00
	Fertlizing turf	\$ 937.50	<i>3 times</i>	\$ 2,812.50
	Irrigation checks and repair -hourly rate, Irrigator	\$ 125.00	<i>12 months</i>	
	Irrigation checks and repairs- hourly rate, helper	\$ 75.00	<i>12 months</i>	
			<i>Total</i>	\$ 31,125.00

The Groves Park Distract- The Commons, The Grove, The Plaza and the Parklets 1&2				
	Mowing	\$ 60.00	<i>40 mowing cycles</i>	\$ 2,400.00
	Blowing of sysnthetic turf in The Plaza	\$ 45.00	<i>40 tiems a year</i>	\$ 1,800.00
	Pre-emergent	\$ 125.00	<i>Twice a year</i>	\$ 250.00
	Post emergent	\$ 125.00	<i>1 a year</i>	\$ 125.00
	Trimming of ground cover	\$ -	<i>40 mowing cycles</i>	included
	Fire Ant treatment	\$ 75.00	<i>1 time</i>	\$ 75.00
	Mulching of beds and tree wells	\$ 1,000.00	<i>2 x a year</i>	\$ 2,000.00
	Limbing up tree	\$ 2,200.00	<i>Once a year</i>	\$ 2,200.00
	Trimming of prennials	\$ 250.00	<i>1 time</i>	\$ 250.00
	Aeoration of turf areas	\$ 150.00	<i>1 time</i>	\$ 150.00
	Fertlizing turf	\$ 375.00	<i>3 times</i>	\$ 1,125.00
	Irrigation checks and repair -hourly rate, Irrigator	\$ 125.00	<i>12 months</i>	

	Irrigation checks and repairs- hourly rate, helper	\$ 75.00	12 months	
			<i>Total</i>	\$ 10,375.00
Midway Road medians				
	Mowing	\$ 50.00	40 mowing cycles	\$ 2,000.00
	Pre-emergent	\$ 125.00	Twice a year	\$ 125.00
	Post emergent	\$ 125.00	1 a year	\$ 125.00
	Trimming of ground cover	\$ -	40 mowing cycles	included
	Fire Ant treatment	\$ 75.00	1 time	\$ 75.00
	Mulching of beds and tree wells	\$ 350.00	2 x a year	\$ 700.00
	Limbing up tree	\$ 2,000.00	Once a year	\$ 2,000.00
	Trimming of prennials	\$ 250.00	1 time	\$ 250.00
	Aeoration of turf areas	\$ 250.00	1 time	\$ 250.00
	Irrigation checks and repair -hourly rate, Irrigator	\$ 125.00	12 months	
	Irrigation checks and repairs- hourly rate, helper	\$ 75.00	12 months	
			<i>Total</i>	\$ 5,525.00
Surveyor Water Tower and Arapho shurb line				
	Mowing	\$ 35.00	40 mowing cycles	\$ 1,400.00
	Pre-emergent	\$ 100.00	Twice a year	\$ 200.00
	Post emergent	\$ 100.00	1 a year	\$ 100.00
	Trimming of ground cover	\$ -	40 mowing cycles	included
	Fire Ant treatment	\$ 50.00	1 time	\$ 50.00
	Mulching of beds and tree wells	\$ 200.00	2 x a year	\$ 400.00
	Limbing up tree	\$ 450.00	Once a year	\$ 450.00
	Trimming of prennials		1 time	included
	Aeoration of turf areas	\$ 250.00	1 time	\$ 250.00
	Trimming shrubs behind Storage facilty	\$ 75.00	2 x's a year	\$ 150.00
	Fertilizing turf	\$ 100.00	3 times	\$ 300.00
	Irrigation checks and repair -hourly rate, Irrigator	\$ 125.00	12 months	
	Irrigation checks and repairs- hourly rate, helper	\$ 75.00	12 months	
			<i>Total</i>	\$ 3,300.00
Vitruvain Park				
	Mowing above jogging trail	\$ 250.00	40 mowing cycles	\$ 10,000.00
	Mowing below jogging trail	\$ 200.00	20 mowing cycles	\$ 4,000.00
	Pre-emergent	\$ 937.50	Twice a year	\$ 1,875.00
	Post emergent	\$ 937.50	1 a year	\$ 937.50
	Trimming of ground cover	\$ -	40 mowing cycles	included
	Fire Ant treatment	\$ 550.00	1 time	\$ 550.00
	Mulching of beds and tree wells	\$ 3,000.00	2 x a year	\$ 6,000.00
	Limbing up tree	\$ 4,000.00	Once a year	\$ 4,000.00
	Trimming of prennials	\$ 1,000.00	1 time	\$ 1,000.00
	Trimming of Vitex and Crape Myrtles along trail	\$ 1,200.00	2 x's a year	\$ 1,200.00
	Cleaning of Pond after heavy rains	\$ 500.00	4 x's a year	\$ 2,000.00
	Cleaning of jogging trail after heavy rains	\$ 500.00	4 x's a year	\$ 2,000.00
	Aeoration of turf areas	\$ 750.00	1 time	\$ 750.00
	Trimming shrubs behind Storage facilty	\$ 500.00	2 x's a year	\$ 1,000.00
	Fertilizing turf	\$ 937.50	3 times	\$ 2,812.50
	Irrigation checks and repair -hourly rate, Irrigator	\$ 125.00	12 months	
	Irrigation checks and repairs- hourly rate, helper	\$ 75.00	12 months	
			<i>Total</i>	\$ 38,125.00
Vitruvian Way, Bella Lane, Surveyor 1 & 2, Ponte Bringe				
	Mowing	\$ 240.00	40 mowing cycles	\$ 9,600.00
	Pre-emergent	\$ 500.00	Twice a year	\$ 1,000.00

	Post emergent	\$ 500.00	1 a year	\$ 500.00
	Trimming of ground cover	\$ -	40 mowing cycles	included
	Fire Ant treatment	\$ 300.00	1 time	\$ 300.00
	Mulching of beds and tree wells	\$ 1,500.00	2 x a year	\$ 3,000.00
	Limbing up tree	\$ 1,400.00	Once a year	\$ 1,400.00
	Trimming of prennials	\$ -	1 time	included
	Irrigation checks and repair -hourly rate, Irrigator	\$ 125.00	12 checks	
	Irrigation checks and repairs- hourly rate, helper	\$ 75.00	12 checks	
			<i>Total</i>	\$ 15,800.00

Spring Valley meidans

	Mowing	\$ 60.00	40 mowing cycles	\$ 2,400.00
	Pre-emergent	\$ 125.00	Twice a year	\$ 250.00
	Post emergent	\$ 125.00	1 a year	\$ 125.00
	Trimming of ground cover	\$ -	40 mowing cycles	included
	Fire Ant treatment	\$ 50.00	1 time	\$ 50.00
	Mulching of beds and tree wells	\$ 300.00	2 x a year	\$ 600.00
	Limbing up tree	\$ 250.00	Once a year	\$ 250.00
	Trimming of prennials	\$ 100.00	1 time	\$ 100.00
	Irrigation checks and repair -hourly rate, Irrigator	\$ 125.00	12 checks	
	Irrigation checks and repairs- hourly rate, helper	\$ 75.00	12 checks	
			<i>Total</i>	\$ 3,775.00

Redding Trail / Loos connector

	Mowing	\$ 150.00	40 mowing cycles	\$ 6,000.00
	Pre-emergent	\$ 312.50	Twice a year	\$ 625.00
	Post emergent	\$ 312.50	1 a year	\$ 312.50
	Trimming of ground cover	\$ -	40 mowing cycles	included
	Fire Ant treatment	\$ 175.00	1 time	\$ 175.00
	Mulching of beds and tree wells	\$ -	2 x a year	included
	Limbing up tree	\$ 1,200.00	Once a year	\$ 1,200.00
	Trimming of prennials		1 time	included
	Irrigation checks and repair -hourly rate, Irrigator	\$ 125.00	12 checks	
	Irrigation checks and repairs- hourly rate, helper	\$ 75.00	12 checks	
			<i>Total</i>	\$ 8,312.50

Airport Properties

Airport Parkway

	Mowing	\$ 25.00	20 mowing cycles	\$ 500.00
			<i>Total</i>	\$ 500.00

Claire Chennault 4581

	Mowing	\$ 25.00	20 mowing cycles	\$ 500.00
			<i>Total</i>	\$ 500.00

Dooley Road Area

	Mowing	\$ 30.00	20 mowing cycles	\$ 600.00
			<i>Total</i>	\$ 600.00

George Haddaway

	Mowing	\$ 25.00	20 mowing cycles	\$ 500.00
			<i>Total</i>	\$ 500.00

Glenn Ccirtiss Area 4555 / 4680

	Mowing	\$ 45.00	20 mowing cycles	\$ 900.00
			<i>Total</i>	\$ 900.00

Jimmy Doolittle Area

	Mowing	\$ 45.00	20 mowing cycles	\$ 900.00
			<i>Total</i>	\$ 900.00

Lindbergh				
	Mowing	\$ 45.00	20 mowing cycles	\$ 900.00
			<i>Total</i>	\$ 900.00

Westgrove Area				
	Mowing	\$ 45.00	20 mowing cycles	\$ 900.00
			<i>Total</i>	\$ 5,700.00
			<i>Total</i>	\$ 173,045.00

Grand total with all cycles and scopes included

SRH Landscapes Note: Irrigation is priced per Hour but units are in "Months"

TOWN OF ADDISON, TEXAS
CONTRACTOR INSURANCE REQUIREMENTS & AGREEMENT

REQUIREMENTS

Contractors performing work on TOWN OF ADDISON property or public right-of-way shall provide the TOWN OF ADDISON a certificate of insurance or a copy of their insurance policy(s) (and including a copy of the endorsements necessary to meet the requirements and instructions contained herein) evidencing the coverages and coverage provisions identified herein within ten (10) days of request from TOWN OF ADDISON. Contractors shall provide TOWN OF ADDISON evidence that all subcontractors performing work on the project have the same types and amounts of coverages as required herein or that the subcontractors are included under the contractor's policy. Work shall not commence until insurance has been approved by TOWN OF ADDISON.

All insurance companies and coverages must be authorized by the Texas Department of Insurance to transact business in the State of Texas and must have a A.M. Best's rating A-VII or greater.

Listed below are the types and minimum amounts of insurances required and which must be maintained during the term of the contract. TOWN OF ADDISON reserves the right to amend or require additional types and amounts of coverages or provisions depending on the nature of the work.

TYPE OF INSURANCE	AMOUNT OF INSURANCE	PROVISIONS
1. Workers' Compensation Employers' Liability to include: (a) each accident (b) Disease Policy Limits (c) Disease each employee	Statutory Limits per occurrence Each accident \$1,000,000 Disease Policy Limits \$1,000,000 Disease each employee \$1,000,000	<u>TOWN OF ADDISON to be provided a WAIVER OF SUBROGATION AND 30 DAY NOTICE OF CANCELLATION</u> or material change in coverage. Insurance company must be A-VII rated or above.
2. Commercial General (Public) Liability to include coverage for: a) Bodily Injury b) Property damage c) Independent Contractors d) Personal Injury e) Contractual Liability	Bodily Injury/Property Damage per occurrence \$1,000,000, General Aggregate \$2,000,000 Products/Completed Aggregate \$2,000,000, Personal Advertising Injury per occurrence \$1,000,000, Medical Expense 5,000	<u>TOWN OF ADDISON to be listed as ADDITIONAL INSURED and provided 30 DAY NOTICE OF CANCELLATION</u> or material change in coverage. Insurance company must be A-VII rated or above.
3. Business Auto Liability to include coverage for: a) Owned/Leased vehicles b) Non-owned vehicles c) Hired vehicles	Combined Single Limit \$1,000,000	<u>TOWN OF ADDISON to be listed as ADDITIONAL INSURED and provided 30 DAY NOTICE OF CANCELLATION</u> or material change in coverage. Insurance company must be A-VII-rated or above.

Certificate of Liability Insurance forms (together with the endorsements necessary to meet the requirements and instructions contained herein) may be **faxed** to the Purchasing Department: **972-450-7074** or **emailed to: purchasing@addisontx.gov**. Questions regarding required insurance should be directed to the Purchasing Manager.

With respect to the foregoing insurance,

- All liability policies shall contain no cross liability exclusions or insured versus insured restrictions applicable to the claims of the Town of Addison.

2. All insurance policies shall be endorsed to require the insurer to immediately notify the Town of Addison, Texas of any material change in the insurance coverage.
3. All insurance policies shall be endorsed to the effect that the Town of Addison, Texas will receive at least thirty (30) days' notice prior to cancellation or non-renewal of the insurance.
4. All insurance policies, which name the Town of Addison, Texas as an additional insured, must be endorsed to read as primary coverage regardless of the application of other insurance.
5. Insurance must be purchased from insurers that are financially acceptable to the Town of Addison and licensed to do business in the State of Texas.

All insurance must be written on forms filed with and approved by the Texas Department of Insurance. Upon request, Contractor shall furnish the Town of Addison with complete copies of all insurance policies certified to be true and correct by the insurance carrier.

This form must be signed and returned with your quotation. You are stating that you do have the required insurance and if selected to perform work for TOWN OF ADDISON, will provide the certificates of insurance (and endorsements) with the above requirements to TOWN OF ADDISON within 10 working days.

A CONTRACT/PURCHASE ORDER WILL NOT BE ISSUED WITHOUT EVIDENCE AND APPROVAL OF INSURANCE.

AGREEMENT

I agree to provide the above described insurance coverages within 10 working days if selected to perform work for TOWN OF ADDISON. I also agree to require any subcontractor(s) to maintain insurance coverage equal to that required by the Contractor. It is the responsibility of the Contractor to assure compliance with this provision. The TOWN accepts no responsibility arising from the conduct, or lack of conduct, of the Subcontractor.

Project/Bid# 23-52 Parks/Asphalt/ROW Maintenance
Company: SRH Landscapes LLC
Printed Name: TYLER HAWKINS
Signature:  Date: 02-06-2023

Town of Addison

Indemnification Agreement

Contractor's Indemnity Obligation. Contractor covenants, agrees to, and shall DEFEND (with counsel reasonably acceptable to Owner), INDEMNIFY, AND HOLD HARMLESS Owner, its past, present and future elected and appointed officials, and its past, present and future officers, employees, representatives, and volunteers, individually or collectively, in both their official and private capacities (collectively, the "Owner Persons" and each being an "Owner Person"), from and against any and all claims, liabilities, judgments, lawsuits, demands, harm, losses, damages, proceedings, suits, actions, causes of action, liens, fees (including attorney's fees), fines, penalties, expenses, or costs, of any kind and nature whatsoever, made upon or incurred by Owner and/or Owner Person, whether directly or indirectly, (the "Claims"), that arise out of, result from, or relate to: (i) the services to be provided by Contractor pursuant to this Agreement, (ii) any representations and/or warranties by Contractor under this Agreement, (iii) any personal injuries (including but not limited to death) to any Contractor Persons (as hereinafter defined) and any third persons or parties, and/or (iv) any act or omission under, in performance of, or in connection with this Agreement by Contractor or by any of its owners, directors, officers, managers, partners, employees, agents, contractors, subcontractors, invitees, patrons, guests, customers, licensees, sublicensees, or any other person or entity for whom Contractor is legally responsible, and their respective owners, directors, officers, directors, officers, managers, partners, employees, agents, contractors, subcontractors, invitees, patrons, guests, customers, licensees, sublicensees (collectively, "Contractor Persons"). SUCH DEFENSE, INDEMNITY AND HOLD HARMLESS SHALL AND DOES INCLUDE CLAIMS ALLEGED OR FOUND TO HAVE BEEN CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF OWNER OR ANY OTHER OWNER PERSON, OR CONDUCT BY OWNER OR ANY OTHER OWNER PERSON THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.

Contractor shall promptly advise Owner in writing of any claim or demand against any Owner Person related to or arising out of Contractor's activities under this Agreement and shall see to the investigation and defense of such claim or demand at Contractor's sole cost and expense. The Owner Persons shall have the right, at the Owner Persons' option and own expense, to participate in such defense without relieving Contractor of any of its obligations hereunder. This defense, indemnity, and hold harmless provision shall survive the termination or expiration of this Agreement.

The provisions in the foregoing defense, indemnity and hold harmless are severable, and if any portion, sentence, phrase, clause or word included therein shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, void, or unenforceable in any respect, such invalidity, illegality, voidness, or unenforceability shall not affect any other provision thereof, and this defense, indemnity and hold harmless provision shall be considered as if such invalid, illegal, void, or unenforceable provision had never been contained in this Agreement. **In that regard, if the capitalized language included in the foregoing indemnity is so determined to be void or unenforceable, the parties agree that:**

(i) the foregoing defense, indemnity, and hold harmless obligation of Contractor shall be to the extent Claims are caused by, arise out of, or result from, in whole or in part, any act or omission of Contractor or any Contractor Persons; and

(ii) notwithstanding the provisions of the foregoing subparagraph (i), to the fullest extent permitted by law, Contractor shall INDEMNIFY, HOLD HARMLESS, and DEFEND Owner and Owner Persons from and against all Claims arising out of or resulting from bodily injury to, or sickness, disease or death of, any employee, agent or representative of Contractor or any of its subcontractors, regardless of whether such Claims are caused, or are alleged to be caused, in whole or in part, by the negligence, or any act or omission, of Owner or any Owner Persons, it being the expressed intent of Owner and Contractor that IN SUCH EVENT THE CONTRACTOR'S INDEMNITY, HOLD HARMLESS, AND DEFENSE OBLIGATION SHALL AND DOES INCLUDE CLAIMS ALLEGED OR FOUND TO HAVE BEEN CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF OWNER OR ANY OTHER OWNER PERSON, OR CONDUCT BY OWNER OR ANY OTHER OWNER PERSON THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND. The indemnity obligation under this subparagraph (ii) shall not be limited by any limitation on the amount or type of damages, compensation, or benefits payable by or for Contractor under workers compensation acts, disability benefit acts, or other employee benefit acts.

I understand that the indemnification provisions are required of all Town of Addison Contracts. I have read the provisions and agree to the terms of these provisions.

Project/Bid#: 23-52 Parks, Airport Properties, and Rights of Way Maintenance

Company Name: SRH Landscapes LLC

Signature: 

Date: 02/06/2023



Austin Turf & Tractor

Parts on-site Program

The total solution for your parts needs

Thank you for participating in our Parts on-site Program. Our goal is to help prevent downtime with high wear and maintenance parts stocked at your location. Austin Turf & Tractor is committed to your operation and below list how we partner with our customers:

- Parts are available around the clock 24/7 at your location
- Inventory will be checked every 4-5 weeks
- Customer will be contacted prior to visit & made aware of site visit/current promotions
- Austin Turf annual usage report (upon request)

At Austin Turf we view the Parts on-site program as an opportunity to partner with your organization & help manage preventative maintenance. Below is what we ask in return:

- Parts inventory stocked is higher volume so you are not loaded up with dead inventory. Inventory that does not move will be returned to Austin Turf.
- Product must stay in original packaging and sellable condition. Used or unsellable products are the users responsibility
- Inventory stored in separate bin or easily identifiable
- Our products are used to service equipment & make us aware of any issues with inventory so changes can be made in a timely manner to better serve you. This program requires open communication so the right parts are stocked to prevent downtime

Customer Signature: _____ Print Name: _____

Advantage of Parts on Site

- You own the inventory which can lead to less confusion
- Free Freight on orders placed thru program
- Austin Turf manages inventory. Inventory adjustments are made based on communication by customer and consumption
- Austin Turf travels to each location at no cost to customer
- With communication and the right inventory the customer will spend less time traveling to procure parts inventory and more time repairing equipment.
- This program also helps lower inventory cost with the reassurance that Austin Turf is there to count inventory and keep you stock with the right parts
- Obsolescent inventory control (money invested in non-moving inventory)

SRH Landscape has chosen to partner with Austin Turf & Tractor in this program. Parts on-site is a big downtime prevention tool. Listed below are other benefits SRH receives from partnering with their local John Deere dealer.

- New EQ comes with best in class warranty. Austin Turf has 11 technicians supporting their organization backed by John Deere training and parts availability that is better than any brand on the market.
- Loaner program. We do offer a loaner program to customer that purchase their units new from Austin Turf. We have units set aside (based on availability) to assist customers when a manufacture defect occurs that cannot be repaired in 24-48hrs.

SRH Landscape has read the operators manual and performs the required maintenance needed to keep these units running to prevent unnecessary downtime.

Customer Signature: _____ Print Name: _____



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

12/16/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER AssuredPartners of Texas, LLC dba Baldwin Cox Allen 5930 Preston View Blvd Ste 200 Dallas TX 75240-4782	CONTACT NAME: Shannon Loy PHONE (A/C, No, Ext): (972) 644-2688 E-MAIL ADDRESS: shannon@baldwinagency.com	FAX (A/C, No): (972) 644-8035
	INSURER(S) AFFORDING COVERAGE	
INSURED SRH Trees, Inc., DBA: SRH Landscapes, LLC; SRH Wholesale PO Box 796754 Dallas TX 75379	INSURER A: Republic-Franklin Insurance	NAIC # 12475
	INSURER B: Utica Mutual Insurance Company	25976
	INSURER C: Texas Mutual Insurance Co	
	INSURER D: Liberty Mutual Insurance	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** LANDSCAPES W/WC **REVISION NUMBER:**

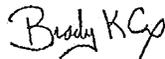
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			CG 5267369	06/10/2021	06/10/2022	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Aggregate Limit Per \$
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY			5247676	06/10/2021	06/10/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ PIP-Basic \$ 2,500
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> RETENTION \$ 10,000 <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE			CULP 5267370	06/10/2021	06/10/2022	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 PER STATUTE OTH-ER
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N Y	0002068205	10/01/2021	10/01/2022	E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D				BMO60489068	10/15/2020	10/15/2021	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

E. Contractors Pollution Liability; Policy #STB80100581; Effective 2/19/2021 TO 2/19/2022; \$5,000,000 Occurrence Limit with a \$15,000 Self Insured Retention.

CERTIFICATE HOLDER**CANCELLATION**

For Reference Only	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

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Additional Named Insureds

Other Named Insureds

SRH Landscapes, LLC; SRH Wholesale Nursery, LLC

Doing Business As

Applicators are required to keep certificates of completion for 12 months following renewal of a license. 4 TAC§7.24(s)

Regulations and statutory provisions governing pesticide applicator licensees and their use of pesticides may be found in Chapter 7, Title 4, of the Texas Administrative Code and Chapter 76 of the Texas Agriculture Code, respectively. TDA’s web site provides convenient links to these laws. Failure to comply with these laws, including misuse of any pesticide, may result in revocation, suspension, modification, or probation of your license and/or assessment of monetary administrative penalties.

If you have any questions regarding your license, please contact our Austin headquarters toll free at (877) LIC-AGRI (877-542-2474), or visit our web site at www.TexasAgriculture.gov. For the hearing impaired, you may call Relay Texas (800) 735-2988 (voice) or (800) 735-2989 (TDD) or visit our web site.

TEXAS DEPARTMENT OF AGRICULTURE
P. O. BOX 12847 AUSTIN, TEXAS 78711-2847

COMMERCIAL PESTICIDE APPLICATOR LICENSE

TYLER HAWKINS



License No: 0877850
Effective Date: 05/02/2022
Expires: 05/31/2023

PO BOX 796754
DALLAS TX 75379



Front side

Categories: 3A,5

Descriptions:

1A Field Crop	3A Landscape Maint
1B Fruit, Nut, & Veg	3B Nursery Plant Prod
1C Pasture & Rangeland	4 Seed Treatment
1D Vertebrate Pest	5 Vegetation Mgmt
1E Farm Commodity Pest Control	6 Aquatic
1F Animal Health	7 Demonstr & Research
1G Citrus	8 Reg Pest Control
1H Livestock Prot Collar	9 Aerial Application
1I M-44 Device	11 Soil Fumigation
2 Forest Pest Control	12 Public Health Pest Control (Vector)

Back side

LAMINATION ADVISED: Please cut out along heavy black lines, placing front and back sides together, and laminate.

TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER
P. O. BOX 12847 AUSTIN, TEXAS 78711-2847
(877) LIC-AGRI (877-542-2474)
For the hearing impaired: (800) 735-2989 TDD (800) 735-2988 VOICE
www.TexasAgriculture.gov



COMMERCIAL PESTICIDE APPLICATOR LICENSE

This is to certify that the person whose name appears below has met the requirements of Texas Agriculture Code Chapter 76, relating to application of restricted-use or state-limited-use pesticides or regulated herbicides. This license is issued for purchase and application of restricted-use or state-limited-use pesticides or regulated herbicides to be used according to label directions consistent with the use categories listed below.

TYLER HAWKINS PO BOX 796754 DALLAS TX 75379	License No: 0877850 Effective Date: May 2, 2022 Expires: May 31, 2023 Categories:
---	--



3A,5

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Be it known that

JON A PARETI

has fulfilled the requirements in accordance with the laws of the State of Texas for

LICENSED IRRIGATOR

License Number: LI0011747

Issue Date: 07/20/2022

Expiration Date: 07/31/2025



*Executive Director
Texas Commission on Environmental Quality*



Tyler Hawkins, TCLP
816

The above named is hereby recognized as a
Texas Certified Landscape Professional
having fulfilled the requirements of the Certification Committee of the
Texas Nursery & Landscape Association

CHAIRMAN
TNLA Certification Committee

PRESIDENT/CEO
Texas Nursery & Landscape Association

Valid Through
June 30, 2024

Council Meeting 2023

15.

Meeting Date: 02/28/2023

Department: Parks & Recreation

Pillars: Gold Standard in Customer Service

Milestones: Promote and protect the Addison Way

AGENDA CAPTION:

Present, Discuss, and Consider Action on an **Ordinance Amending Chapter 58, Parks and Recreation, Article III, Addison Athletic Club, by Amending and Restating Sections 58-66 in its Entirety.**

BACKGROUND:

On December 12, 2022, staff made a presentation to the Council regarding the following Addison Athletic Club (AAC) topics:

- Membership requirements for the Addison Athletic Club (AAC),
- Homestead exemption documentation and the feasibility of using this exemption in lieu of a Department of Public Safety (DPS) Driver's License or ID card to establish Addison residency to meet AAC membership requirements, and
- Allowing the Director of Parks and Recreation to adjudicate individual applications requesting exceptions to the rules.

As a result of the feedback received from Council on December 12, 2022, staff is bringing forward amendments to the Code of Ordinances, Chapter 58 Parks and Recreation, Article III, Section 58-66, Item (b). The proposed amendments were developed to address the concern that a small portion of Addison residents could not meet the identification requirements established in the ordinance and therefore, could not obtain membership at the AAC.

The proposed language is included below, and a redline edit of the proposed update is attached to this agenda item.

(b) The Director may require additional information if deemed necessary. Birth certificates of dependent children or guardianship documents may be requested in order to establish age and guardianship of dependents. Exceptions to the minimum membership requirements listed above shall be made for:

- (1) Residents participating in the Texas Department of Public Safety Confidentiality Program; or
- (2) Residents who are active military and their spouse and dependents
- (3) Residents who reside in a facility that provides services related to health,

infirmity or aging.

(4) Residents with a license issued under Transportation Code Sections 521.121(c) or 521.1211.

(5) Residents that provide additional documentation, at the discretion of the Director, in lieu of identification required in (a) (1).

In addition to the proposed amendments to the Ordinance, staff has drafted an internal policy that will be used to verify Addison residency.

Internal Policy

Applicants wishing to obtain membership at the AAC that cannot provide the required identification as defined in Sec. 58-66 (a) (1) in the Town Ordinance may, at the Director's discretion, provide a notarized statement of residency to prove Addison residency. The notarized statement of residency must be submitted and provided to the Director or their designee. The statement of residency must have two additional forms of address verification from the list below. The address on the additional forms of verification must match the address provided on the notarized statement of residency:

- a. Residential property deed, tax statement, mortgage statement or lease agreement.
- b. Valid, unexpired Texas voter registration card.
- c. Current statement from a financial institution.
- d. Current Home Owner's or Renter's Insurance Policy or statement.
- e. Valid, unexpired Texas Motor vehicle registration or title.
- f. Selective Service card.
- g. Medical statement or insurance policy.
- h. Recent Statement from a federal, state, county or government agency.
- i. Other items as approved by the Director or their designee.

RECOMMENDATION:

Administration recommends approval.

Attachments

Presentation- Athletic Club Membership Ordinance Update
Ordinance - Athletic Club Membership
Ordinance - Athletic Club Membership Redline

Addison Athletic Club Membership Policy

February 28, 2023

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

ADDISON

At the December 12, 2022 Council Meeting staff was directed to develop a method for confirming Addison residency in lieu of providing do a Texas Department of Motor Vehicles Drivers License or Identification Card to obtain a membership at the Addison Athletic Club.

As a result:

- Staff is proposing updates to the Town ordinance regarding Addison Athletic membership and
- Proposing an internal policy that identifies how Director's Discretion will be utilized to verify residency.

Proposed Ordinance Modifications

Article III Addison Athletic Club, Sec. 58-66. Use restricted to members and guests. (Proposed Edits in red)

(b) The Director may require additional information if deemed necessary. Birth certificates of dependent children or guardianship documents may be requested in order to establish age and guardianship of dependents. Exceptions to the minimum membership requirements listed above shall ~~only~~ be made for:

- (1) Residents participating in the Texas Department of Public Safety Confidentiality Program; or
- (2) Residents who are active military **and their spouse and dependents**
- (3) **Residents who reside in a facility that provides services related to health, infirmity or aging.**
- (4) **Residents with a license issued under Transportation Code Sections 521.121(c) or 521.1211.**
- (5) **Residents that provide additional documentation, at the discretion of the Director, in lieu of identification required in (a) (1).**

The Town may request documentation from a resident to support these exceptions.

(c) Individuals with a Town business address or hotel address, including extended stay, are not eligible for membership. Owners of residential properties are not eligible for membership unless they currently reside on the property or at another Town residence.

Proposed Internal Policy

An Internal Policy has been drafted to address the proposed exception in item (b) (5)

Documentation requirements identified in this internal policy were captured from the Texas Administrative Code for Proof of Domicile.

Applicants wishing to obtain a membership at the Addison Athletic Club that can not provide the required identification as defined in Sec. 58-66 (a) (1) in the Town Ordinance may provide the following additional information at the Director's discretion to prove Addison residency.

1. A Notarized Affidavit of Residency must be submitted and provided to the Director or their designee. The affidavit must have attached two additional forms of address verification which may include the items listed below. The address on the additional forms of verification must match the address provided on the notarized statement of residency.
 - a. Residential property deed, tax statement, mortgage statement or lease agreement
 - b. Valid, unexpired Texas voter registration card
 - c. Current statement from a financial institution
 - d. Current Home Owner's or Renter's Insurance Policy or statement
 - e. Valid, unexpired Texas Motor vehicle registration or title
 - f. Selective Service card
 - g. Medical statement or insurance policy
 - h. Recent Statement from a federal, state, county or government agency
 - i. Other items as approved by the Director

Questions?

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, AMENDING CHAPTER 58, PARKS AND RECREATION, ARTICLE III, ADDISON ATHLETIC CLUB, BY AMENDING AND RESTATING SECTION 58-66 IN ITS ENTIRETY; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A PENALTY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council desires to amend Section 58-66, Use Restricted to Members and Guests, to provide for updated exceptions to the minimum membership requirements.

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

SECTION 1. That Chapter 58, Article III, Section 58-66 of the Code of Ordinances for the Town of Addison, Texas, is hereby amended and restated to read as follows:

“Chapter 58 - PARKS AND RECREATION

...

ARTICLE III. - ADDISON ATHLETIC CLUB

Sec. 58-66. Use restricted to members and guests.

- (a) The use of the grounds, facilities and equipment of the AAC is restricted to current members of AAC and guests of such members of the AAC. Only bona fide resident of the Town and their dependents, ages three months through 18. shall be eligible to become members of the AAC. Dependents 18 through 23 years of age may remain on their parents' or legal guardian's membership application, as dependents, if enrolled as full-time college students. Proof of full-time college enrollment may be accepted in place of the minimum requirements listed below. Employees of the Town may become conditional members of the AAC upon the terms and conditions established by the Director. Minimum membership requirements include the following:
- (1) A valid state department of public safety driver's license or state department of public safety identification card which shows a current residential address within the corporate limits of the Town;
 - (2) A current document such as a utility bill, vehicle registration, voter's registration, credit card statement, vehicle insurance, or other document, as approved by the director, which shows the same address as in (1) above; and
 - (3) If an applicant is living in an apartment, a signed leasing office verification form from the owner or manager of the apartment.

(b) The Director may require additional information if deemed necessary. Birth certificates of dependent children or guardianship documents may be requested in order to establish age and guardianship of dependents. Exceptions to the minimum membership requirements listed above shall be made for:

- (1) Residents participating in the Texas Department of Public Safety Confidentiality Program; or
- (2) Residents who are active military and their spouse and dependents
- (3) Residents who reside in a facility that provides services related to health, infirmity or aging.
- (4) Residents with a license issued under Transportation Code Sections 521.121(c) or 521.1211.
- (5) Residents that provide additional documentation, at the discretion of the Director, in lieu of identification required in (a) (1).

The Town may request documentation from a resident to support these exceptions.

(c) Individuals with a Town business address or hotel address, including extended stay, are not eligible for membership. Owners of residential properties are not eligible for membership unless they currently reside on the property or at another Town residence.

SECTION 2. Any person, firm, or corporation violating any of the provisions or terms of this ordinance shall be subject to penalty as provided for in the Code of Ordinances, as heretofore amended, and upon conviction shall be punished by a fine in accordance with Chapter 1, Section 1-7 of the Code of Ordinances for the Town of Addison.

SECTION 3. 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 4. 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 5. This ordinance shall become effective from and after its passage and approval and after publication as may be required by law.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas, on this the **28th** day of **FEBRUARY** 2023.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

APPROVED AS TO FORM:

Irma Parker, City Secretary

Whitt Wyatt, City Attorney

Sec. 58-66. Use restricted to members and guests.

- (a) The use of the grounds, facilities and equipment of the AAC is restricted to current members of AAC and guests of such members of the AAC. Only bona fide resident of the Town and their dependents, ages three months through 18. shall be eligible to become members of the AAC. Dependents 18 through 23 years of age may remain on their parents' or legal guardian's membership application, as dependents, if enrolled as full-time college students. Proof of full-time college enrollment may be accepted in place of the minimum requirements listed below. Employees of the Town may become conditional members of the AAC upon the terms and conditions established by the Director. Minimum membership requirements include the following:
- (1) A valid state department of public safety driver's license or state department of public safety identification card which shows a current residential address within the corporate limits of the Town;
 - (2) A current document such as a utility bill, vehicle registration, voter's registration, credit card statement, vehicle insurance, or other document, as approved by the director, which shows the same address as in (1) above; and
 - (3) If an applicant is living in an apartment, a signed leasing office verification form from the owner or manager of the apartment.
- (b) The Director may require additional information if deemed necessary. Birth certificates of dependent children or guardianship documents may be requested in order to establish age and guardianship of dependents. Exceptions to the minimum membership requirements listed above shall ~~only~~ be made for:
- (1) Residents participating in the Texas Department of Public Safety Confidentiality Program; or
 - (2) Residents who are active military and their spouse and dependents;
 - (3) Residents who reside in a facility that provides services related to health, infirmity or aging.
 - (4) Residents with a license issued under Transportation Code Sections 521.121(c) or 521.1211.
 - (5) Residents that provide additional documentation, at the discretion of the Director, in lieu of identification required in (a) (1).
- The Town may request documentation from a resident to support these exceptions.
- (c) Individuals with a Town business address or hotel address, including extended stay, are not eligible for membership. Owners of residential properties are not eligible for membership unless they currently reside on the property or at another Town residence.
- (Ord. No. 021-44 , § 2(Exh. A), 12-14-21)

Council Meeting 2023

16.

Meeting Date: 02/28/2023

Department: Police

Pillars: Gold Standard in Public Safety

AGENDA CAPTION:

Present, Discuss, and Consider Action on an **Ordinance Amending Chapter 54, Article III of the Code of Ordinances by Adding a New Article IV Entitled Possession of Catalytic Converters.**

BACKGROUND:

This agenda item proposes amending Chapter 54, Article III, to make it an offense to possess catalytic converters under certain circumstances. Thefts of catalytic converters have been increasing nationwide, including in Addison. In 2021, the Addison Police Department received 107 reports of stolen catalytic converters and 275 reports in 2022.

Currently, there is no state law offense for simply possessing a catalytic converter that has been removed from a vehicle. Officers would have to prove the person possessing the catalytic converter stole it themselves or knew it was stolen property in order to prosecute under state law.

The proposed amendment would make it an offense to possess a catalytic converter that has been removed from a vehicle with an exception for metal recycling companies. Additionally, this ordinance would not apply if the possessor can prove the converter was removed from their vehicle or was passed from the owner of a vehicle to the person in possession. Each converter in possession would be considered a separate offense.

RECOMMENDATION:

Administration recommends approval.

Attachments

Presentation - Catalytic Converter Ordinance
Ordinance - Catalytic Converter

Catalytic Converter Ordinance

ADDISON

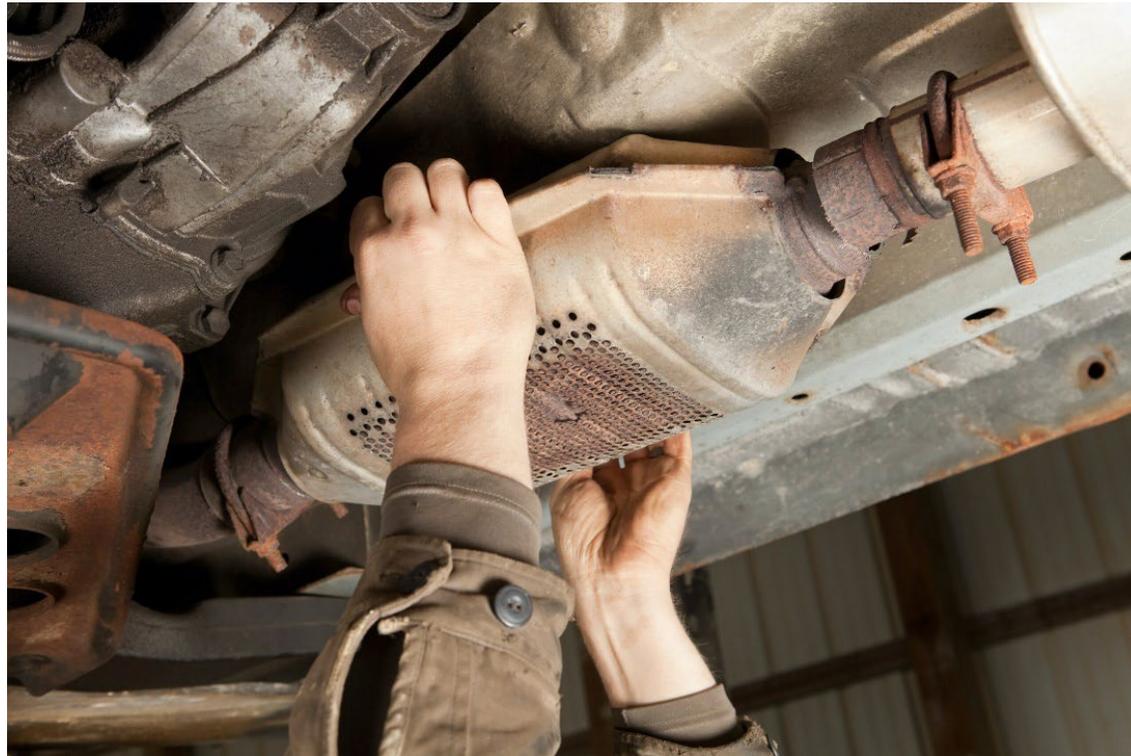
What is a Catalytic Converter

- Part of car's exhaust system that converts harmful exhaust into less harmful exhaust
- Contain three precious metals that aide in making pollutants less harmful (platinum, palladium, and rhodium)
- Located exposed and underneath a car's chassis



Why They Are Stolen

- Metals inside are very expensive
- Large secondary resale market



- No current offense for simply possessing a catalytic converter that has been removed from a vehicle.
- Must prove an individual possessing the converter stole it themselves or knows it is stolen property.

Addison's Stolen Converters

A blue circular logo with the word "ADDISON" in white capital letters.

2021	2022
107	275

- Offense to possess a catalytic converter that has been removed from a vehicle.
- Exception for metal recycling entities.
- Each converter is considered an offense.
- Affirmative defenses:
 - Proof converter was removed from a specific vehicle; or
 - Proof converter was passed from owner of vehicle removed to person in possession.

Questions



ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, AMENDING CHAPTER 54, ARTICLE III OF THE CODE OF ORDINANCES FOR THE TOWN OF ADDISON BY ADDING NEW ARTICLE IV ENTITLED POSSESSION OF CATALYTIC CONVERTERS AND CREATING AN OFFENSE FOR UNLAWFUL POSSESSION OF A CATALYTIC CONVERTER; PROVIDING AFFIRMATIVE DEFENSES TO PROSECUTION; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A PENALTY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council finds that catalytic converter thefts are on the rise across the nation, including the State of Texas; and

WHEREAS, the National Insurance Crime Bureau has reported that the claims of catalytic converters thefts rose nationally from 3,389 in 2019 to 14,433 in 2021; and

WHEREAS, in 2021, the Addison Police Department received 107 reports of stolen catalytic converters from vehicles; and

WHEREAS, in 2022, the Addison Police Department received 275 reports of stolen catalytic converters from vehicles; and

WHEREAS, the existence of catalytic converters on essentially all motor vehicles makes these devices attractive targets for criminal activity due to a number of factors, including, but not limited to, (1) the ability of individuals to access and remove these devices from motor vehicles in matter of seconds using common tools such as metal saws; (2) the ability of individuals to profit from recycling these devices at scrap metal yards where high market prices incentivize such conduct; and (3) the inability of local law enforcement to effectively prosecute these crimes under existing state and federal legislation; and

WHEREAS, on September 1, 2021, Texas H.B. 4110 was enacted to address this issue; however, the bill only addresses those trying to sell or purchase catalytic converter; and

WHEREAS, the City Council of the Town of Addison, Texas, finds that it is in the best interest of the safety and welfare of the citizens of the Town of Addison to adopt local regulations to provide law enforcement the ability to criminally enforce unlawful possession of catalytic converters by amending Chapter 54 of the Code of Ordinances, as set forth herein.

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

SECTION 1. That Chapter 54, Offenses and Miscellaneous Provisions, is hereby amended by adding a new Article IV, entitled “Possession of Catalytic Converters”, and adding Sections 54-76 to 54-85 to read as follows:

“Chapter 54 – OFFENSES AND MISCELLANEOUS PROVISIONS

...

ARTICLE IV. – POSSESSION OF CATALYTIC CONVERTERS

Sec. 54-76. – Definitions

The following words, terms and phrases, when used in this Article, shall have the meanings ascribed to them in this section:

Catalytic converter means an exhaust emission control device that reduces toxic gases and pollutants from internal combustion engines that has been removed from a vehicle by cutting or some other means. The term catalytic converter includes any material removed from a catalytic converter.

Metal recycling entity has the meaning assigned by Section 1956.001(7) of the Texas Occupations Code, as the same may be amended.

Sec. 54-77. – Possession of catalytic converter

It shall be unlawful for any person or entity, other than a metal recycling entity, to possess a catalytic converter, as defined in Section 54-76. Each catalytic converter in an individual or entity's possession shall constitute a separate offense.

Sec. 54-77. – Affirmative defense

It is an affirmative defense to the prosecution for an offense under Section 54-77 if the person or entity:

- (a) provides (i) the year, make, model and vehicle identification number for the vehicle from which the catalytic converter was removed, (ii) a copy of the certificate of title or other documentation indicating that the person or entity has an ownership interest in such vehicle, and (iii) proof that the catalytic converter was removed from such vehicle; or
- (b) person presents proof that the possession of the catalytic converter lawfully passed from the owner of the vehicle from which the catalytic converter was removed to the person in possession of the catalytic converter.

Secs. 54-78 – 54-85 Reserved”

SECTION 2. Any person, firm, or corporation violating any of the provisions or terms of this ordinance shall be subject to penalty as provided for in the Code of Ordinances, 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 3. 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 4. 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 5. 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 **28th** day of **FEBRUARY 2023.**

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

APPROVED AS TO FORM:

Irma Parker, City Secretary

Whitt Wyatt, City Attorney

Council Meeting 2023

17.

Meeting Date: 02/28/2023

Department: City Secretary

AGENDA CAPTION:

Present, Discuss, and Consider Action on a **Resolution Accepting Resignation of Place 2 Board of Zoning Adjustment Member and Appoint a New Place 2 Member to fill the Two-Year Unexpired Term Through December 2024.**

BACKGROUND:

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 February 13, 2023, Place 2 Board of Zoning Adjustment Member Dan Liscio submitted his letter of resignation. On this date, Mr. Liscio also submitted an Application 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 February 13th, Council Member Quintanilla was notified of Board Member Liscio'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.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution - Board of Zoning Adjustment Appointment Place 2

Email - D Liscio

RESOLUTION NO. R23-__

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS
ACCEPTING THE RESIGNATION OF BOARD OF ZONING ADJUSTMENT
MEMBER PLACE 2 AND APPOINTING A NEW MEMBER FOR A TERM
ENDING DECEMBER 2024.**

WHEREAS, pursuant to Chapter 2 of the Town of Addison Code of Ordinances, the Addison Board of Zoning Adjustment is comprised of seven (7) members serving a two-year term with each council member appointing a board member; and

WHEREAS, the member serving in Place 2 for the current Board of Zoning Adjustment, Dan Liscio, tendered his resignation on February 13, 2023. This term has a full two (2) years remaining, set to expire on December 31, 2024; and

WHEREAS, Council Member Quintanilla is the Council member responsible for appointment to Place 2 of this Board. Via a memo dated February 13, 2023, Council Member Quintanilla was advised his appointee had resigned and an appointment was scheduled for the February 28, 2023 meeting.

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

SECTION 1. The City Council accepts the resignation of Dan Liscio to Place 2 of the Board of Zoning Adjustment effective February 13, 2023.

SECTION 2. The Place 2 nominee, _____, as submitted by Council Member Quintanilla is hereby approved upon adoption of this Resolution. This appointment to the Addison Board of Zoning Adjustment will expire on December 31, 2024 or until a successor is appointed and duly authorized to serve.

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, on this **28TH** day of **FEBRUARY** 2023.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma G. Parker, City Secretary

From: [REDACTED]
To: [REDACTED]
Subject: Resigning BZA Board Addison Position
Date: Monday, February 13, 2023 9:38:11 AM

I am effectively resigning my appointed position on the Town of Addison B.Z.A. Immediately.

Sincerely,

Dan Liscio
[REDACTED] cell

WARNING: This email is from an external source. Please DO NOT click links or open attachments without positive sender verification of purpose. Never enter Username, Password, or sensitive information on linked pages from any email. If you are unsure about the message, please click on the Report Phishing button located to the right side of the Menu above.