



CERTIFIED AGENDA
THURSDAY, DECEMBER 21, 2017, 4:00 P.M.
311 W. WOODARD STREET, DENISON, TEXAS

PUBLIC NOTICE

The Denison Development Alliance will meet in a regular session beginning on Thursday, December 21, 2017, at 4:00 P.M. in the Conference Room at the Denison Development Alliance, 311 West Woodard Street, Denison, Texas. An agenda listing items to be considered at that time is as follows:

CALL TO ORDER
ORDER OF BUSINESS

- I. REVIEW AND CONSIDER APPROVAL OF THE SPECIAL CALLED MEETING MINUTES HELD SEPTEMBER 8, 2017, THE REGULAR CALLED MEETING MINUTES HELD OCTOBER 19, 2017, THE SPECIAL CALLED MEETING MINUTES HELD NOVEMBER 6, 2017, AND THE SPECIAL CALLED MEETING MINUTES HELD NOVEMBER 15, 2017.**
- II. REVIEW AND CONSIDER APPROVAL OF THE OCTOBER 2017 AND NOVEMBER 2017 FINANCIAL REPORTS.**
- III. REVIEW AND CONSIDER APPROVAL OF THE REVISED POLICY PROCEDURE MANUAL/EMPLOYEE HANDBOOK.**
- IV. REVIEW MONTHLY INVESTMENT REPORT.**
- V. MONTHLY STAFF REPORTS.**

THE DENISON DEVELOPMENT ALLIANCE OF DENISON, TEXAS, RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION AT ANY TIME DURING THE COURSE OF THIS MEETING TO DISCUSS ANY OF THE MATTERS LISTED ABOVE, AS AUTHORIZED BY TEXAS GOVERNMENT CODE SECTIONS 551.071 (CONSULTATION WITH ATTORNEY), 551.072 (DELIBERATIONS ABOUT REAL PROPERTY), 551.073 (DELIBERATIONS ABOUT GIFTS AND DONATIONS), 551.074 (DELIBERATIONS ABOUT PERSONNEL MATTERS), 551.075 (DELIBERATIONS ABOUT SECURITY DEVICES), 551.087 (DELIBERATIONS ABOUT ECONOMIC DEVELOPMENT).

EXECUTIVE SESSION (CLOSED SESSION), SECTION 551.072 OF THE TEXAS GOVERNMENT CODE.

I. DELIBERATION REGARDING REAL PROPERTY

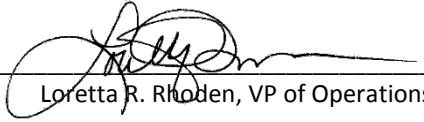
Following the closed Executive Session, the Board will reconvene in open public session and take such action as may be desirable or necessary as a result of the closed deliberation, namely:

I. DELIBERATION REGARDING REAL PROPERTY

ADJOURN

CERTIFICATION

I, Loretta R. Rhoden, Vice President of Operations of the Denison Development Alliance, do hereby certify the above foregoing notice of public meeting was posted at the entrance of the Denison Development Alliance Building, 311 W. Woodard, Denison, Texas, and online at www.denisontx.org, places readily available to the general public at all times, this the 18th day of December, 2017, at 3:39 pm.



Loretta R. Rhoden, VP of Operations

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, THE DENISON DEVELOPMENT ALLIANCE WILL PROVIDE FOR REASONABLE ACCOMMODATIONS FOR PERSONS ATTENDING THE BOARD MEETING. TO BETTER SERVE YOU, REQUESTS SHOULD BE RECEIVED 48 HOURS PRIOR TO THE MEETING. PLEASE CONTACT THE VP OF OPERATION'S OFFICE AT 903.464.0883.



**MINUTES OF SPECIAL MEETING
FRIDAY, SEPTEMBER 8, 2017, 11:00 A.M.
HILTON GARDEN INN - TEXOMA EVENT CENTER
ROSEWOOD ROOM • 5015 US-75, DENISON, TEXAS**

MEMBERS PRESENT: Robert Brady, Matthew Looney, Richard Munson, David Spindle

MEMBERS ABSENT: Robert Sylvester

STAFF PRESENT: Tony Kaai, CECD – President, Loretta Rhoden – VP of Operations,
William Myers – VP of Business Development

VISITORS PRESENT: General Public

MEETING WAS CALLED TO ORDER BY DAVID SPINDLE, CHAIRMAN AT 11:04 A.M.

Following the Call to Order, Chairman Spindle notified attendees the Board will remain convened in open session to consider the following:

I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS

Consider incentives, if any, for Projects: JV and POPCORN

Project JV - Robert Brady motioned to approve incentives up to \$250,000 (Two Hundred and Fifty Thousand Dollars) to Covenant Development for infrastructure improvements required to fully develop a 4 (four) acre “pad ready” site for HeyDay Entertainment’s new building/facility. Richard Munson seconded the motion, and the motion was unanimously approved.

Project POPCORN – No action taken.

THERE BEING NO FURTHER BUSINESS THE MEETING WAS ADJOURNED AT 11:07 A.M.

David Spindle, Chairman

Date Approved



**MINUTES OF MEETING
THURSDAY, OCTOBER 19, 2017, 4:00 P.M.
DENISON DEVELOPMENT ALLIANCE
311 W. WOODARD STREET, DENISON, TEXAS**

MEMBERS PRESENT: Matthew Looney, Brett Evans, David Spindle

MEMBERS ABSENT: Robert Brady, Robert Sylvester

STAFF PRESENT: Tony Kaai, CECD – President, Loretta Rhoden – VP of Operations

VISITORS PRESENT: Mayor Jared Johnson – City of Denison, Paul Kisel – Denison Development Foundation Chairman

MEETING WAS CALLED TO ORDER BY DAVID SPINDLE, CHAIRMAN AT 4:05 P.M.

- I. INTRODUCTION, OATHS AND STATEMENTS OF NEW BOARD MEMBER BRETT EVANS, AND REAPPOINTED BOARD MEMBER DAVID SPINDLE:** Chairman Spindle announced new Board member Brett Evans to DDA Board members, staff and guests.

Brett Evans, a new Board Member, and David Spindle, a reappointed Board Member, were sworn in by DDA VP of Operations, Loretta Rhoden. David Spindle was also reappointed by Denison City Council Members to serve as Chairman of the DDA Board for a 2017/2018.

- II. REVIEW AND CONSIDER APPROVAL OF THE REGULAR CALLED MEETING MINUTES HELD SEPTEMBER 21, 2017:** Reviewed by members. Matthew Looney motioned to approve the regular called meeting minutes as submitted by staff. Brett Evans seconded. Motion was unanimously approved.
- III. REVIEW AND CONSIDER APPROVAL OF THE DDA INVESTMENT POLICY:** Loretta Rhoden, VP of Operations, informed members there have been no changes to the investment policy since the prior year. Matthew Looney moved to approve the DDA Investment Policy. Brett Evans seconded, and the motion was unanimously approved.

IV. REVIEW MONTHLY INVESTMENT REPORT: Loretta Rhoden, VP of Operations, reported the only changes to this month's investment report was the accrued interest and obligated incentive payments made during the month. Reviewed by Board members. No action needed.

V. MONTHLY STAFF REPORT: Presented by DDA staff members. No action needed.

ANNOUNCEMENT BY PRESIDING OFFICER: "As authorized by Section 551.087, and 551.072 of the Texas Government Code, the Denison Development Alliance adjourned into closed Executive Session on the 19th day of October, 2017, at 4:16 P.M. to consider the following:

I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS

Consider incentives, if any, for Projects: DAN, GARY, STREET, and SWAG

II. DELIBERATION REGARDING REAL PROPERTY

Following the closed Executive Session the Board reconvened in open and public session at 4:59 P.M.

I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS

Consider incentives, if any, for Projects: DAN, GARY, STREET, and SWAG - No action Taken

II. DELIBERATION REGARDING REAL PROPERTY - No action Taken

THERE BEING NO FURTHER BUSINESS THE MEETING WAS ADJOURNED AT 4:59 P.M.

David Spindle, Chairman

Date Approved



**MINUTES OF SPECIAL MEETING
MONDAY, NOVEMBER 6, 2017, 4:00 P.M.
311 W. WOODARD STREET, DENISON, TEXAS**

- MEMBERS PRESENT:** Robert Brady, Brett Evans, David Spindle, Robert Sylvester
- MEMBERS ABSENT:** Matthew Looney
- STAFF PRESENT:** Tony Kaai, CECD – President, Loretta Rhoden – VP of Operations, William Myers – VP of Business Development
- VISITORS PRESENT:** None

MEETING WAS CALLED TO ORDER BY DAVID SPINDLE, CHAIRMAN AT 4:00 P.M.

- I. CONSIDER FUNDING UPGRADE TO INDUSTRIAL ACCESS ROAD SERVICING RUIZ FOODS (ATTACHMENT A):** Robert Brady motioned to accept the bid proposal from Cheyenne Construction Company, and fund up to \$67,455.92 (Sixty Seven Thousand Four Hundred Fifty Five Dollars and Ninety Two Cents) to repair/upgrade Helen Drive for the use of industrial trucking/traffic needs. Robert Sylvester seconded the motion, and the motion was unanimously approved.

ANNOUNCEMENT BY PRESIDING OFFICER: “As authorized by Section 551.087 of the Texas Government Code, the Denison Development Alliance adjourned into closed Executive Session on the 6th day of November, 2017, at 4:09 P.M. to consider the following:

- I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS**
Consider incentives, if any, for Projects: GARY

Following the closed Executive Session the Board reconvened in open and public session at 4:37 P.M.

- I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS**
Consider incentives, if any, for Projects: GARY - No action taken.

THERE BEING NO FURTHER BUSINESS THE MEETING WAS ADJOURNED AT 4:37 P.M.

David Spindle, Chairman

Date Approved

ATTACHMENT A

Agreement Between: **Owner and Contractor**

Contract Type: **Small Project where Payment is a Stipulated Sum**

Document No. **OCSP105**

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This AGREEMENT is made: November 7, 2017
(Date)

BETWEEN the Owner:

Denison Development Alliance
311 West Woodard

Denison, TX 75021

and the Contractor:

Cheyenne Construction Company
P.O. Box 126289
Fort Worth, TX 76126

for the following Project:

17012A
Helen Road Improvements
City Repair

The Architect is:

The Owner and Contractor agree as follows.

TABLE OF ARTICLES

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ARTICLE 1 THE CONTRACT DOCUMENTS

§1.1 The Contractor shall complete the Work described in the Contract Documents for the Project. The Contract Documents consist of

- .1 this Agreement signed by the Owner and Contractor;
- .2 the drawings and specifications prepared by the Architect, dated _____, and enumerated as follows:

Drawings:

Number	Title	Date
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Specifications:

Section	Title	Pages
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Agreement Between: **Owner and Contractor**

Contract Type: **Small Project where Payment is a Stipulated Sum**

Document No. **OCSP105**

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.3 addenda prepared by the Architect as follows:

Number

Date

Pages

.4 written orders for changes in the Work issued after execution of this Agreement; and

.5 other documents, if any, identified as follows:

Cost Proposal attached.

ARTICLE 2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

The number of calendar days available to the Contractor to substantially complete the Work is the Contract Time. The date of commencement of the Work shall be the date of this Agreement unless otherwise indicated below. The Contractor shall substantially complete the Work, no later than (30) calendar days from the date of commencement, subject to adjustments as provided in Article 10 and 11.
(Insert the date of commencement, if it differs from the date of this Agreement)

ARTICLE 3 CONTRACT SUM

§3.1 Subject to additions and deductions in accordance with Article 10, the Contract Sum is:

Sixty Seven Thousand Four Hundred Fifty Five Dollars and 92 Cents (\$67,455.92)

§3.2 For purposes of payment, the Contract Sum includes the following values related to portions of the Work:
(Itemize the Contract Sum among the major portions of the Work.)

Portion of Work

Value

§3.3 Unit prices, if any, are as follows:

(Identify and state the unit price; state the quantity limitations, if any, to which the unit price will be applicable.)

Item

Units and Limitations

Price per Unit (\$0.00)

§3.4 Allowances included in the Contract Sum, if any, are as follows:

(Identify allowance and state exclusions, if any, from the allowance price.)

Item

Price

Agreement Between: **Owner and Contractor**

Contract Type: **Small Project where Payment is a Stipulated Sum**

Document No. **OCSP105**

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§3.5 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and hereby accepted by the Owner:

(State the numbers or other identifications of accepted alternates. If the bidding or proposal documents permit the Owner to accept other alternates subsequent to the execution of this Agreement attach a schedule of such other alternates showing the amount for each and the date when that amount expires.)

§3.6 The Contract Sum shall include all items and services necessary for the proper execution and completion of the Work.

ARTICLE 4 PAYMENT

§4.1 Based on Contractor's Applications for Payment certified by the Architect, the Owner shall pay the Contractor, in accordance with Article 12, as follows:

(Insert below timing for payments, and provisions for withholding retainage, if any.)

Payment to be made by the 30th of the month following invoice. No retainage is to be withheld.

§4.2 Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at the rate below, or in the absence thereof, at the legal rate prevailing at the place of the Project.

ARTICLE 5 INSURANCE

§5.1 The Contractor shall provide Contractor's general liability and other insurance as follows:

(Insert specific insurance requirements and limits.)

Type of Insurance	Limit of Liability (\$0.00)
General Liability	1,000,000/2,000,000
Auto Liability	1,000,000
Worker's Compensation	1,000,000
Umbrella Liability	5,000,000/5,000,000

§5.2 The Owner shall provide property insurance to cover the value of the Owner's property, including any Work provided under this Agreement. The Contractor is entitled to receive an increase in the Contract Sum equal to the insurance proceeds related to a loss for damage to the Work covered by the Owner's property insurance.

§5.3 The Contractor shall obtain an endorsement to its general liability insurance policy to cover the Contractor's obligations under Section 8.12.

§5.4 Each party shall provide certificates of insurance showing their respective coverages prior to commencement of the Work.

§5.5 Unless specifically precluded by the Owner's property insurance policy, the Owner and Contractor waive all rights against (1) each other and any of their subcontractor's suppliers, agents and employees, each of the other; and (2) the Architect, Architect's consultants and any of their agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance or other insurance applicable to the Work.

ARTICLE 6 GENERAL PROVISIONS

§6.1 THE CONTRACT

The Contract represents the entire and integrated agreement between the parties and supersedes prior negotiations, representations and agreements, either written or oral. The Contract may be amended or modified only by written

modification in accordance with Article 10.

§6.2 THE WORK

The term "Work" means the construction and services required by the Contract Documents, and includes all other labor materials, equipment and services provided, or to be provided, by the Contractor to fulfill the Contractor's obligations.

§6.3 INTENT

The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all.

§6.4 OWNERSHIP AND USE OF ARCHITECT'S DRAWINGS, SPECIFICATIONS AND OTHER DOCUMENTS

Documents prepared by the Architect are instruments of the Architect's service for use solely with respect to this Project. The Architect shall retain all common law, statutory and other reserved rights, including the copyright. The Contractor, subcontractors, sub-subcontractors, and material or equipment suppliers are authorized to use and reproduce the instruments of service solely and exclusively for execution of the Work. The instruments of service may not be used for other Projects or for additions to this Project outside the scope of the Work without the specific written consent of the Architect.

ARTICLE 7 OWNER

§7.1 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§7.1.1 If requested by the Contractor, the Owner shall furnish all necessary surveys and legal description of the site.

§7.1.2 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, the Owner shall obtain and pay for other necessary approvals, easements, assessments and charges.

§7.2 OWNER'S RIGHT TO STOP THE WORK

If the Contractor fails to correct Work which is not in accordance with the Contract Documents, the Owner may direct the Contractor in writing to stop the Work until the correction is made.

§7.3 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a seven day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies, correct such deficiencies. In such case, the Contract Sum shall be adjusted to deduct the cost of correction from payments due the Contractor.

§7.4 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

§7.4.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project.

§7.4.2 The Contractor shall coordinate and cooperate with the Owner's own forces and separate contractors employed by the Owner.

§7.4.3 Costs caused by delays or by improperly timed activities or defective construction shall be borne by the party responsible therefor.

ARTICLE 8 CONTRACTOR

§8.1 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§8.1.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

§8.1.2 The Contractor shall carefully study and compare the Contract Documents with each other and with information furnished by the Owner. Before commencing activities, the Contractor shall (1) take field measurements and verify field conditions; (2) carefully compare this and other information known to the Contractor with the Contract Documents; and (3) promptly report error inconsistencies or omissions discovered to the Architect.

§8.2 CONTRACTOR'S CONSTRUCTION SCHEDULE

The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's and Architect's information a Contractor's construction schedule for the Work.

§8.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§8.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences and procedures, and for coordinating all portions of the Work.

§8.3.2 The Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the names of subcontractors or suppliers for each portion of the Work. The Contractor shall not contract with any subcontractor or supplier to whom the Owner or Architect have made a timely and reasonable objection.

§8.4 LABOR AND MATERIALS

§8.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work.

§8.4.2 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract Work. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

§8.5 WARRANTY

The Contractor warrants to the Owner and Architect that: (1) materials and equipment furnished under the Contract will be new and of good quality unless otherwise required or permitted by the Contract Documents; (2) the Work will be free from defects not inherent in the quality required or permitted; and (3) the Work will conform to the requirements of the Contract Documents.

§8.6 TAXES

The Contractor shall pay sales, consumer, use and similar taxes that are legally required when the Contract is executed.

§8.7 PERMITS, FEES AND NOTICES

§8.7.1 The Contractor shall obtain and pay for the building permit and other permits and governmental fees, licenses and inspections necessary for proper execution and completion of the Work.

§8.7.2 The Contractor shall comply with and give notices required by agencies having jurisdiction over the Work. If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules, and regulations, or lawful orders of public authorities, the Contractor shall assume full responsibility for such Work and shall bear the attributable costs. The Contractor shall promptly notify the Architect in writing of any known inconsistencies in the Contract Documents with such governmental laws, rules and regulations.

§8.8 SUBMITTALS

The Contractor shall promptly review, approve in writing and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents. Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents.

§8.9 USE OF SITE

The Contractor shall confine operations at the site to areas permitted by law, ordinances, permits, the Contract Documents and the Owner.

§8.10 CUTTING AND PATCHING

The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly.

§8.11 CLEANING UP

The Contractor shall keep the premises and surrounding area free from accumulation of debris and trash related to the Work. At the completion of the Work, the Contractor shall remove its tools, construction equipment, machinery and surplus material; and shall properly dispose of waste materials.

§8.12 INDEMNIFICATION

To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claims, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a

subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder.

ARTICLE 9 ARCHITECT

§9.1 The Architect will provide administration of the Contract as described in the Contract Documents. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§9.2 The Architect will visit the site at intervals appropriate to the stage of construction to become generally familiar with the progress and quality of the Work.

§9.3 The Architect will not have control over or charge of, and will not be responsible for, construction means, methods, techniques, sequences or procedures, or for safety precautions and program in connection with the Work, since these are solely the Contractor's responsibility. The Architect will not be responsible for the Contractor's failure to carry out the Work in accordance with the Contract Documents.

§9.4 Based on the Architect's observations and evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor.

§9.4 Based on the Architect's observations and evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor.

§9.5 The Architect has authority to reject Work that does not conform to the Contract Documents

§9.6 The Architect will promptly review and approve or take appropriate action upon the Contractor's submittals, but only for the limited purpose of checking conformance with information given and the design concept expressed in the Contract Documents.

§9.7 The Architect will promptly interpret and decide matters concerning performance under, and requirement of, the Contract Documents on written request from either the Owner or Contractor.

§9.8 Interpretations and decisions of the Architect will be consistent with the intent of and reasonably inferable from the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions rendered in good faith.

§9.9 The Architect's duties, responsibilities and limits of authority as described in the Contract Documents shall not be changed without written consent of the Owner, Contractor and Architect. Consent shall not be unreasonably withheld.

ARTICLE 10 CHANGES IN THE WORK

§10.1 The Owner, without invalidating the Contract, may order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly in writing. If the Owner and Contractor can not agree to a change in the Contract Sum, the Owner shall pay the Contractor actual cost plus reasonable overhead and profit.

§10.2 The Architect will have authority to order minor changes in the Work not involving changes in the Contract Sum or the Contract Time and not inconsistent with the intent of the Contract Documents. Such orders shall be in writing and shall be binding on the Owner and Contractor. The Contractor shall carry out such orders promptly.

§10.3 If concealed or unknown physical conditions are encountered at the site that differ materially from those indicated in the Contract Documents or from those conditions ordinarily found to exist, the Contract Sum and Contract Time shall be subject to equitable adjustment.

ARTICLE 11 TIME

§11.1 Time limits stated in the Contract Documents are of the essence of the Contract.

§11.2 If the Contractor is delayed at any time in progress of the Work by changes ordered in the Work, or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Contractor's control, the Contract Time shall be subject to equitable adjustment.

ARTICLE 12 PAYMENTS AND COMPLETION

§12.1 CONTRACT SUM

The Contract Sum stated in the Agreement, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§12.2 APPLICATIONS FOR PAYMENT

§12.2.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment for Work completed in accordance with the values stated in the Agreement. Such Application shall be supported by data substantiating the Contractor's right to payment as the Owner or Architect may reasonably require. Payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment stored, and protected from damage, off the site at a location agreed upon in writing.

§12.2.2 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment, all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or other encumbrances adverse to the Owner's interests.

§12.3 CERTIFICATES FOR PAYMENT The Architect will, within seven days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part.

§12.4 PROGRESS PAYMENTS

§12.4.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner provided in the Contract Documents.

§12.4.2 The Contractor shall promptly pay each subcontractor and supplier, upon receipt of payment from the Owner, an amount determined in accordance with the terms of the applicable subcontracts and purchase orders.

§12.4.3 Neither the Owner nor the Architect shall have responsibility for payments to a subcontractor or supplier.

§12.4.4 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall constitute acceptance of Work not in accordance with the requirements of the Contract Documents.

§12.5 SUBSTANTIAL COMPLETION

§12.5.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so the Owner can occupy or utilize the Work for its intended use.

§12.5.2 When the Work or designated portion thereof is substantially complete, the Architect will make an inspection to determine whether the Work is substantially complete. When the Architect determines that the Work is substantially complete the Architect shall prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§12.6 FINAL COMPLETION AND FINAL PAYMENT

§12.6.1 Upon receipt of final Application for Payment, the Architect will inspect the Work. When the Architect finds the Work acceptable and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment.

§12.6.2 Final payment shall not become due until the Contractor submits to the Architect releases and waivers of liens, and data establishing payment or satisfaction of obligations, such as receipts, claims, security interests or encumbrances arising out of the Contract.

§12.6.3 Acceptance of final payment by the Contractor, a subcontractor, or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 13 PROTECTION OF PERSONS AND PROPERTY

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs, including all those required by law in connection with performance of the Contract. The Contractor shall make reasonable precautions to prevent damage, injury or loss to employees on the Work, the Work and materials and equipment to be incorporated therein, and other property at the site or adjacent thereto. The Contractor shall promptly remedy damage and loss to property caused in whole or in part by the Contractor, or by anyone for whose acts the Contractor may be liable.

ARTICLE 14 CORRECTION OF WORK

§14.1 The Contractor shall promptly correct Work rejected by the Architect as failing to conform to the requirements of the Contract Documents. The Contractor shall bear the cost of correcting such rejected Work, including the costs of uncovering, replacement and additional testing.

§14.2 In addition to the Contractor's other obligations including warranties under the Contract, the Contractor shall, for a period of one year after Substantial Completion, correct work not conforming to the requirements of the Contract Documents.

§14.3 If the Contractor fails to correct nonconforming Work within a reasonable time, the Owner may correct it in accordance with Section 7.3.

ARTICLE 15 MISCELLANEOUS PROVISIONS

§15.1 ASSIGNMENT OF CONTRACT

Neither party to the Contract shall assign the Contract as a whole without written consent of the other.

§15.2 TESTS AND INSPECTIONS

§15.2.1 At the appropriate times, the Contractor shall arrange and bear cost of tests, inspections and approvals of portions of the Work required by the Contract Documents or by laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities.

§15.2.2 If the Architect requires additional testing, the Contractor shall perform those tests.

§15.2.3 The Owner shall bear cost of test, inspections or approvals that do not become requirements until after the Contract is executed.

§15.3 GOVERNING LAW

The Contract shall be governed by the law of the place where the Project is located.

ARTICLE 16 TERMINATION OF THE CONTRACT

§16.1 TERMINATION BY THE CONTRACTOR

If the Architect fails to certify payment as provided in Section 12.3 for a period of 30 days through no fault of the Contractor, or if the Owner fails to make payment as provided in Section 12.4.1 for a period of 30 days, the Contractor may, upon seven additional days' written notice to the Owner and the Architect, terminate the Contract and recover from the Owner payment for Work executed including reasonable overhead and profit, and costs incurred by reason of such termination.

§16.2 TERMINATION BY THE OWNER FOR CAUSE

§16.2.1 The Owner may terminate the Contract if the Contractor

- .1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the subcontractors;
- .3 persistently disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction; or
- .4 is otherwise guilty of substantial breach of a provision of the Contract Documents.

§16.2.2 When any of the above reasons exist, the Owner, after consultation with the Architect, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may

- .1 take possession of the site and of all materials thereon owned by the Contractor, and
- .2 finish the Work by whatever reasonable method the Owner may deem expedient.

Agreement Between: **Owner and Contractor**

Contract Type: **Small Project where Payment is a Stipulated Sum**

Document No. **OCSP105**

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§16.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 16.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§16.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, such excess shall be paid to the Contractor. If such costs exceed the unpaid balance, the Contractor shall pay the difference to the Owner. This obligation for payment shall survive termination of the Contract.

§16.3 TERMINATION BY THE OWNER FOR CONVENIENCE

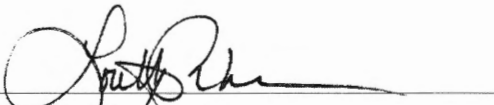
The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause. The Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with a reasonable overhead and profit on the Work not executed.

ARTICLE 17 OTHER TERMS CONDITIONS

(Insert any other terms or conditions below.)

This Agreement entered into as of the day and year first written above.

(If required by law, insert cancellation period, disclosures or other warning statements above the signatures.)



Owner (Signature)



Contractor (Signature)

Denison Development Alliance

(Printed name, title and address)
311 W. Woodard Street

Denison, TX 75020

Cheyenne Construction Company

(Printed name, title and address)
PO Box 126289

Fort Worth, TX 76126

License No. GC GC 1000511

Jurisdiction _____



**MINUTES OF SPECIAL MEETING
WEDNESDAY, NOVEMBER 15, 2017, 4:00 P.M.
311 W. WOODARD STREET, DENISON, TEXAS**

- MEMBERS PRESENT:** Robert Brady, Brett Evans, Matthew Looney, David Spindle, Robert Sylvester
- MEMBERS ABSENT:** None
- STAFF PRESENT:** Tony Kaai, CECD – President, William Myers – VP of Business Development
- VISITORS PRESENT:** None

MEETING WAS CALLED TO ORDER BY DAVID SPINDLE, CHAIRMAN AT 4:05 P.M.

ANNOUNCEMENT BY PRESIDING OFFICER: “As authorized by Section 551.087 of the Texas Government Code, the Denison Development Alliance adjourned into closed Executive Session on the 15th day of November, 2017, at 4:06 P.M. to consider the following:

- I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS**
Consider incentives, if any, for Projects: GARY

Following the closed Executive Session the Board reconvened in open and public session at 4:27 P.M.

- I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS**
Consider incentives, if any, for Projects: GARY (Attachment A)
Matthew Looney moved to approve the incentive contract with R & A, Inc, as submitted by staff, with the understanding the execution of the incentive contract is a condition precedent to the closing of the sale of the approximately 50 acres on Wayne Cabaniss Drive. Seconded by Robert Sylvester. Motion was unanimously approved.

THERE BEING NO FURTHER BUSINESS THE MEETING WAS ADJOURNED AT 4:28 P.M.

David Spindle, Chairman

Date Approved

ATTACHMENT A



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT - UNIMPROVED PROPERTY
USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.
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1. PARTIES: Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: **Business & Industrial Corporation of Denison, Inc.**
 N/A
 Address: **311 West Woodard Street, Denison, TX 75020**
 Phone: **(903)464-0883** E-mail: **tkaai@denisontx.org**
 Fax: **N/A** Other: **lrhoden@denisontx.org**

Buyer: **R & A, Inc.**
 N/A
 Address: **1625 Fair Oaks Court, Westlake, TX 76262**
 Phone: **(817)312-3809** E-mail: **gary@lharealty.com**
 Fax: **N/A** Other: **N/A**

2. PROPERTY:

A. "Property" means that real property situated in Grayson County, Texas at Wayne Cabaniss Drive (address) and that is legally described on the attached Exhibit A or as follows: **Exact legal description to be determined by survey. Exhibit A is the general description showing the remaining acreage of the G-0913 Newman AJ-G913 62.86 acre tract of approximately 50 acres on Wayne Cabaniss Drive, having been part of the Foundation Business Park in Denison, Texas.**

- B. Seller will sell and convey the Property together with:
- (1) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
 - (2) Seller's interest in all leases, rents, and security deposits for all or part of the Property; and
 - (3) Seller's interest in all licenses and permits related to the Property.

*(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)
 (If mineral rights are to be reserved an appropriate addendum should be attached.)*

3. SALES PRICE:

A. At or before closing, Buyer will pay the following sales price for the Property:

(1) Cash portion payable by Buyer at closing	\$	500,000.00
(2) Sum of all financing described in Paragraph 4	\$	N/A
(3) Sales price (sum of 3A(1) and 3A(2))	\$	500,000.00

B. Adjustment to Sales Price: (Check (1) or (2) only.)

- (1) The sales price will not be adjusted based on a survey.
- (2) The sales price will be adjusted based on the latest survey obtained under Paragraph 6B.
 - (a) The sales price is calculated on the basis of \$ _____ per:
 - (i) square foot of total area net area.
 - (ii) acre of total area net area.
 - (b) "Total area" means all land area within the perimeter boundaries of the Property. "Net area" means total area less any area of the Property within:
 - (i) public roadways;
 - (ii) rights-of-way and easements other than those that directly provide utility services to the Property; and
 - (iii) **N/A**
 - (c) If the sales price is adjusted by more than _____ % of the stated sales price, either party may terminate this contract by providing written notice to the other party within **N/A** days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the sales price will be made to the cash portion of the sales price payable by Buyer.

4. FINANCING: Buyer will finance the portion of the sales price under Paragraph 3A(2) as follows:

- A. **Third Party Financing:** One or more third party loans in the total amount of \$ _____. This contract:
 - (1) is not contingent upon Buyer obtaining third party financing.
 - (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TAR-1931).
- B. **Assumption:** In accordance with the attached Commercial Contract Financing Addendum (TAR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____.
- C. **Seller Financing:** The delivery of a promissory note and deed of trust to Seller under the terms of the attached Commercial Contract Financing Addendum (TAR-1931) in the amount of \$ _____.

5. EARNEST MONEY:

- A. Not later than 3 days after the effective date, Buyer must deposit \$ **\$1,000.00** as earnest money with **Grayson Title Company** (title company) at **210 W. Main St., Denison, TX 75020** (address) **Peggy Coley** (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.
- B. Buyer will deposit an additional amount of \$ **N/A** with the title company to be made part of the earnest money on or before:
 - (i) **N/A** days after Buyer's right to terminate under Paragraph 7B expires; or
 - (ii) **N/A**Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.

- C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY AND SURVEY:

A. Title Policy:

- (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
- (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
 - (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
- (a) will not be amended or deleted from the title policy.
 - (b) will be amended to read "shortages in areas" at the expense of Buyer Seller.
- (3) Within 20 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

B. Survey: Within 30 days after the effective date:

- (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. Seller will reimburse Buyer _____ (*insert amount*) of the cost of the survey at closing, if closing occurs.
- (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, Seller, at Seller's expense, will obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to Buyer and the title company within 20 days after Seller receives notice that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 20 days if necessary for Seller to deliver an acceptable survey within the time required. Buyer will reimburse Seller _____ (*insert amount*) of the cost of the new or updated survey at closing, if closing occurs.

C. Buyer's Objections to the Commitment and Survey:

- (1) Within 5 days after Buyer receives the commitment, copies of the documents evidencing the title exceptions, and any required survey, Buyer may object in writing to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If Paragraph 6B(1) applies,

Buyer is deemed to receive the survey on the earlier of: (i) the date of Buyer's actual receipt of the survey; or (ii) of the deadline specified in Paragraph 6B.

- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.
- (3) Buyer's failure to timely object or terminate under this Paragraph 6C is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: **N/A**

B. Feasibility Period: Buyer may terminate this contract for any reason within **60** days after the effective date (feasibility period) by providing Seller written notice of termination. *(Check only one box.)*

(1) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ **100.00** that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

(2) Not later than 3 days after the effective date, Buyer must pay Seller \$ _____ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

C. Inspections, Studies, or Assessments:

- (1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.
- (2) Buyer must:
 - (a) employ only trained and qualified inspectors and assessors;
 - (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
 - (c) abide by any reasonable entry rules or requirements of Seller;
 - (d) not interfere with existing operations or occupants of the Property; and
 - (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

(3) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

(1) Delivery of Property Information: Within 10 days after the effective date, Seller will deliver to Buyer: *(Check all that apply.)*

- (a) copies of all current leases pertaining to the Property, including any modifications, supplements, or amendments to the leases;
- (b) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
- (c) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
- (d) copies property tax statements for the Property for the previous 2 calendar years;
- (e) plats of the Property;
- (f) copies of current utility capacity letters from the Property's water and sewer service provider; and
- (g) **N/A**

(2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: *(Check all that apply.)*

- (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
- (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied; and
- (c) deliver copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. LEASES:

A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:

- (1) any failure by Seller to comply with Seller's obligations under the leases;
- (2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;
- (3) any advance sums paid by a tenant under any lease;
- (4) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and

(5) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.

B. Estoppel Certificates: Within N/A days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than N/A by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TAR Form 1938 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.

9. BROKERS:

A. The brokers to this sale are:

Principal Broker: None

Cooperating Broker: None

Agent: N/A

Agent: N/A

Address: N/A

Address: N/A

N/A

N/A

Phone & Fax: N/A

N/A

Phone & Fax: N/A

N/A

E-mail: N/A

E-mail: N/A

License No.: N/A

License No.: N/A

Principal Broker: *(Check only one box.)*

Cooperating Broker represents Buyer.

- represents Seller only.
- represents Buyer only.
- is an intermediary between Seller and Buyer.

B. Fees: *(Check only (1) or (2) below.)*

(Complete the Agreement Between Brokers on page 13 only if (1) is selected.)

(1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

(2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:
 % of the sales price.

Cooperating Broker a total cash fee of:
 % of the sales price.

N/A

N/A

The cash fees will be paid in N/A County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

A. The date of the closing of the sale (closing date) will be on or before the later of:

(1) **45** days after the expiration of the feasibility period.

_____ (specific date).

N/A

(2) 7 days after objections made under Paragraph 6C have been cured or waived.

B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

C. At closing, Seller will execute and deliver, at Seller's expense, a general special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:

(1) with no liens, assessments, or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;

(2) without any assumed loans in default; and

(3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.

D. At closing, Seller, at Seller's expense, will also deliver to Buyer:

(1) tax statements showing no delinquent taxes on the Property;

(2) an assignment of all leases to or on the Property;

(3) to the extent assignable, an assignment to Buyer of any licenses and permits related to the Property;

(4) evidence that the person executing this contract is legally capable and authorized to bind Seller;

(5) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply applicable tax law; and (ii) deliver the amount to the Internal Revenue Service (IRS) together with appropriate tax forms; and

(6) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and issuance of the title policy, all of which must be completed by Seller as necessary.

E. At closing, Buyer will:

(1) pay the sales price in good funds acceptable to the title company;

(2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;

(3) sign and send to each tenant in a lease for any part of the Property a written statement that:

(a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and

(b) specifies the exact dollar amount of the security deposit;

(4) sign an assumption of all leases then in effect; and

(5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

11. POSSESSION: Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

12. SPECIAL PROVISIONS: The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*

- 1. Execution of the Economic Development Agreement (EDA), attached as Exhibit B, is a Condition Precedent to the closing of the sale.**
- 2. Terms and Conditions by the "EDA" shall Survive Closing of the Contract of Sale.**
- 3. Conditions set fourth in "EDA" shall prevail and supersede and conflicting provision herein.**

13. SALES EXPENSES:

- A. Seller's Expenses: Seller will pay for the following at or before closing:
- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
 - (2) release of Seller's loan liability, if applicable;
 - (3) tax statements or certificates;
 - (4) preparation of the deed;
 - (5) one-half of any escrow fee;
 - (6) costs to record any documents to cure title objections that Seller must cure; and
 - (7) other expenses that Seller will pay under other provisions of this contract.
- B. Buyer's Expenses: Buyer will pay for the following at or before closing:
- (1) all loan expenses and fees;
 - (2) preparation of any deed of trust;
 - (3) recording fees for the deed and any deed of trust;
 - (4) premiums for flood insurance as may be required by Buyer's lender;
 - (5) one-half of any escrow fee;
 - (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

- A. Prorations:
- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
 - ~~(2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.~~
 - (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.
- B. Rollback Taxes: If ~~Seller's~~ ^{Seller's or Buyer's} use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of the Seller. ~~If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.~~
- C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(3) which Seller may pursue; or
(Check if applicable)
 enforce specific performance, or seek such other relief as may be provided by law.
- B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) extend the time for performance up to 15 days and the closing will be extended as necessary.
- C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) ~~enforce specific performance, or seek such other relief as may be provided by law, or both.~~

16. CONDEMNATION: If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:

- A. terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration paid under Paragraph 7B(1), will be refunded to Buyer; or
- B. appear and defend in the condemnation proceedings and any award will, at Buyer's election, belong to:
(1) Seller and the sales price will be reduced by the same amount; or
(2) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.
- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.

- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. Seller Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: *(Check only one box.)*

- A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TAR-1408).
- B. Except as otherwise provided in this contract, Seller is not aware of:
 - (1) any subsurface: structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (10) any condition on the Property that violates any law or ordinance.*(Describe any exceptions to (1)-(10) in Paragraph 12 or an addendum.)*

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
- B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

22. AGREEMENT OF THE PARTIES:

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas.

If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.

- B. This contract contains the entire agreement of the parties and may not be changed except in writing.
- C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.
- D. Addenda which are part of this contract are: *(Check all that apply.)*
 - (1) Property Description Exhibit identified in Paragraph 2;
 - (2) Commercial Contract Financing Addendum (TAR-1931);
 - (3) Commercial Property Condition Statement (TAR-1408);
 - (4) Commercial Contract Addendum for Special Provisions (TAR-1940);
 - (5) Notice to Purchaser of Real Property in a Water District (MUD);
 - (6) Addendum for Coastal Area Property (TAR-1915);
 - (7) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916);
 - (8) Information About Brokerage Services (TAR-2501); and
 - (9) **Economic Development Agreement**

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by TAR are appropriate for use with this form.)

- E. Buyer may may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all obligations and liability of Buyer under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the title company receipts this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.

- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135 of the Texas Natural Resources Code requires a notice regarding coastal area property to be included as part of this contract.
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract.
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.
- G. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.
- H. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on _____, the offer will lapse and become null and void.

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. CONSULT your attorney BEFORE signing.

Seller: **Business & Industrial Corporation of Denison, Inc.**

Buyer: **R & A, Inc.**

N/A

N/A

By: **Business & Industrial Corporation of Denison, Inc.**

By: **R & A, Inc.**

By (signature):
Printed Name: **Tony Kaai, CEcD**
Title: **President**

By (signature):
Printed Name: **Rasoul Karbasi**
Title: **Managing Member**

By: **N/A**

By: **N/A**

By (signature):
Printed Name: **N/A**
Title: **N/A**

By (signature):
Printed Name: **N/A**
Title: **N/A**

AGREEMENT BETWEEN BROKERS

(use only if Paragraph 9B(1) is effective)

Principal Broker agrees to pay N/A (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

- \$ _____, or
- _____ % of the sales price, or
- _____ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: N/A Cooperating Broker: N/A

By: N/A By: N/A

ATTORNEYS

Seller's attorney: <u>N/A</u>	Buyer's attorney: <u>N/A</u>
<u>N/A</u>	<u>N/A</u>
Address: <u>N/A</u>	Address: <u>N/A</u>
<u>N/A</u> <u>N/A</u> <u>N/A</u>	<u>N/A</u> <u>N/A</u> <u>N/A</u>
Phone & Fax: <u>N/A</u>	Phone & Fax: <u>N/A</u>
E-mail: <u>N/A</u>	E-mail: <u>N/A</u>

Seller's attorney requests copies of documents, notices, and other information:	Buyer's attorney requests copies of documents, notices, and other information:
<input type="checkbox"/> the title company sends to Seller.	<input type="checkbox"/> the title company sends to Buyer.
<input type="checkbox"/> Buyer sends to Seller.	<input type="checkbox"/> Seller sends to Buyer.

ESCROW RECEIPT

The title company acknowledges receipt of:
 A. the contract on this day _____ (effective date);
 B. earnest money in the amount of \$ _____ in the form of N/A on _____.

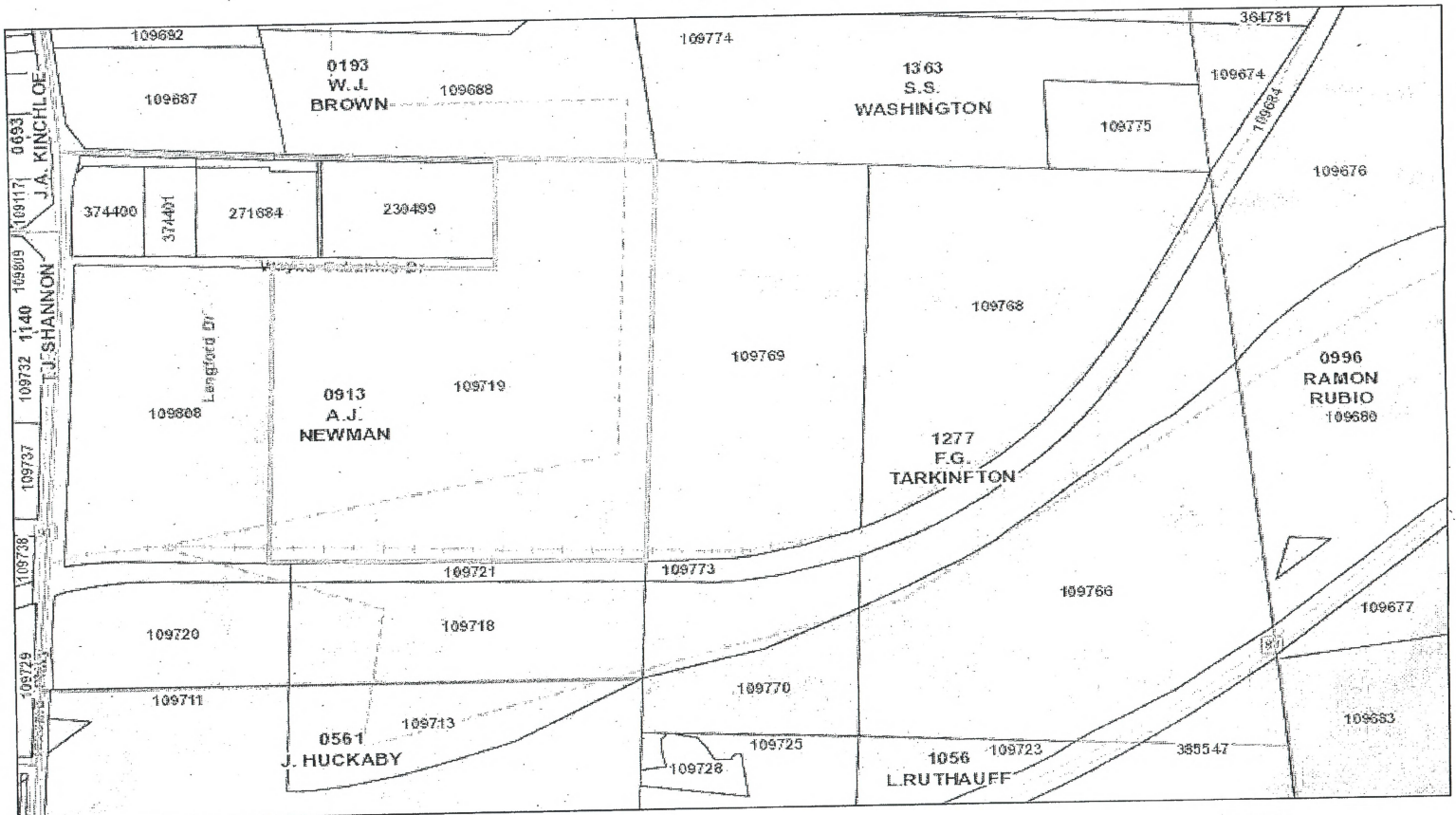
Title company: <u>Grayson Title Company</u>	Address: <u>210 W. Main Street</u>
	<u>Denison, TX 75020</u>
By: <u>N/A</u>	Phone & Fax: <u>(903)465-2545</u>
Assigned file number (GF#): <u>N/A</u>	E-mail: <u>peggy.coley@graysontitle.com</u>



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT EXHIBIT

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.
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EXHIBIT A
TO COMMERCIAL CONTRACT BETWEEN THE UNDERSIGNED CONCERNING THE PROPERTY AT



November 10, 2017

- Parcels
- Abstracts

1:9,028
 0 0.075 0.15 0.3 mi
 0 0.1 0.2 0.4 km
 Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand),
 Grayson County Appraisal District & BIS Consulting - www.bisconsultants.com

Seller: _____

Buyer: _____

By: **Business & Industrial Corporation of Denison, Inc.**
 By (signature): _____
 Printed Name: **Tony Kaai, CEcd**
 Title: **President**

By: **R & A, Inc.**
 By (signature): _____
 Printed Name: **Rasoul Karbasi**
 Title: **Managing Member**

By: **N/A**
 By (signature): _____
 Printed Name: **N/A**
 Title: **N/A**

By: **N/A**
 By (signature): _____
 Printed Name: **N/A**
 Title: **N/A**

(TAR-1937) 1-26-10

Page 1 of 1



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT EXHIBIT

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EXHIBIT B
TO COMMERCIAL CONTRACT BETWEEN THE UNDERSIGNED CONCERNING THE PROPERTY AT

Seller: _____

By: **Business & Industrial Corporation of Denison, Inc.**
By (signature): _____
Printed Name: **Tony Kaai, CEcD**
Title: **President**

By: **N/A**
By (signature): _____
Printed Name: **N/A**
Title: **N/A**

Buyer: _____

By: **R & A, Inc.**
By (signature): _____
Printed Name: **Rasoul Karbasi**
Title: **Managing Member**

By: **N/A**
By (signature): _____
Printed Name: **N/A**
Title: **N/A**

EXHIBIT B

ECONOMIC DEVELOPMENT AGREEMENT

THE STATE OF TEXAS

COUNTY OF GRAYSON

THIS ECONOMIC DEVELOPMENT AGREEMENT (the “Agreement”) is entered into by and between the Business and Industrial Corporation of Denison, Inc. (“BICD”), a Texas non-profit corporation, doing business as Denison Development Alliance (“DDA”) whose address is 311 W. Woodard, Denison, Texas 75020, and R & A, Inc. (“COMPANY”) located at 1625 Fair Oaks Court, Westlake, Texas 76262.

BACKGROUND

- A. DDA is a trade name for an Economic Development Corporation organized under the Texas Development Corporation Act of 1979, Article 5190.6 of Vernon’s Texas Civil Statutes. DDA exists for the purpose of encouraging and assisting qualified service and manufacturing entities in the creation of jobs in Grayson County, Texas.
- B. Rasoul Karbasi began building industrial buildings in the four state area, including Texas, in 1993, and organized R&A, Inc. in Texas in 2007 for the purpose of developing, building, owning, and leasing/managing all its assets in Texas. R&A, Inc. has successfully developed properties in El Paso, Kennedale and Dallas, Texas is beginning development in Alavrado, Texas presently. In Texas alone, R&A, Inc. has already constructed over 250,000 sq. ft. of facilities that have created taxable investments of over \$12,000,000.00 and over 150 jobs. R&A, Inc. is presently developing 33 acres in Alvarado, Texas in excess of 230,000 square ft. with taxable investment of over \$12,000,000.00 of industrial buildings with outside storage yards along Hwy 67, with a Projected employment of over 240 jobs to the community.
- C. R&A, Inc. recognizes the growth occurring in the North Texas area and wants to develop industrial sites for the purpose of constructing facilities and recruiting tenants. COMPANY represents that it will build multiple buildings creating jobs.
- D. The new building and associated jobs and payroll will encourage economic development in Grayson County, Texas, and DDA is willing to grant an incentive pursuant to the terms and conditions of this Agreement for the creation of new jobs and payroll.
- E. The Board of Directors of DDA has determined that it is in the best interest of Denison, Texas that financial incentives be offered to COMPANY in order to encourage it to develop industrial property in Grayson County, Texas, and to create jobs and payroll in Grayson County, Texas.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration and the mutual covenants and agreements contained herein, the parties agree as follows:

1. R&A, Inc. will purchase 50 acres in the Foundation Business Park as shown on the attached Exhibit A for \$500,000.
2. DDA will rebate to COMPANY a total amount of \$500,000 as follows:

DDA will rebate to COMPANY \$200,000.00 of the Sales Price upon substantial completion of the first 20,000 square foot of building within the Property, thereafter DDA will rebate \$100,000 to the COMPANY upon the substantial completion of three additional 20,000 minimum square feet of building. For rebate, R&A, Inc. will provide DDA a Certificate of Occupancy signifying acceptance by the City of Denison as proof that that each facility is substantially completed.

3. Immediately upon City Acceptance and final approval of required submittal and plans, DDA will grant COMPANY all necessary access, use, easements, or required releases over adjacent land owned by DDA to facilitate COMPANY's movement of topography, grading, easements to utility, and installation of infrastructure per COMPANY's request and to provide the aforementioned necessary to optimize COMPANY's profitability in development of the entire site pursuant to approved final plans.
4. **Substantial Completion** – COMPANY agrees the first 20,000 square foot of building must be completed within the first 18 months* after final acceptance of COMPANY's plans by the City. COMPANY must make its reasonable submittal to the City within 120 days from the Effective Date of this contract. 80,000 square feet of building must be completed within 60 months from City approval of final site plans.
5. R&A, Inc. agrees to commence preparing and making its submittal immediately upon receiving: Property Survey; Property Plat, and Executed Purchase Contract.
6. COMPANY shall have within 1 year from the completion of the first building in which to Lease the first building. In the event COMPANY should fail to Lease the first building, DDA shall have the option to purchase the first building with its associated yard (land) as designated by the final plat at Market Value of the first building and its yard space, including its prorated development costs of overall project.
7. In the event DDA does not exercise its "Repurchase" option, within 60 days of date, COMPANY is in default for not leasing the building, the Parties hereto extend the time for COMPANY to Lease the first building six additional months.
8. Should COMPANY's first building Lease (including COMPANY executing a build-to-suit lease) within the initial 18 months (see "Substantial Completion."), COMPANY will immediately upon execution of said lease, commence construction of a second building.

Immediately upon receiving executed Lease Contracts for any subsequent building/s, COMPANY will commence construction of said building for that lease.

9. If COMPANY completes the construction of a total of 100,000 square feet of buildings prior to 36 months from City approval of final site plans, then DDA will provide an additional \$100,000 (in excess of “rebated” funds) bonus to the COMPANY.
10. COMPANY, or its Broker leasing the buildings, will join and remain an active member of the Denison Area Chamber of Commerce for as long as they do business in Grayson County, Texas.
11. COMPANY will contribute a minimum of \$500.00 annually to a public non-profit organization located in Denison (Boys and Girls Club of Denison, Salvation Army, Children’s Museum, etc.) as long as they do business in Grayson County.
12. COMPANY shall pay all real property and/or ad valorem taxes due and owing by it to Grayson County and all other taxing authorities having jurisdiction. In addition, COMPANY will pay all employment, income, franchise and all other taxes, due and owing by it to all local, Texas and Federal entities.
13. In the event COMPANY should fail to pay ad valorem taxes owing to the Grayson County or any other taxing entity and such taxes should become delinquent, and provided that COMPANY is not contesting such taxes in good faith, DDA will have no further obligations under this Agreement and COMPANY will be in default under this Agreement.
14. COMPANY hereby warrants to DDA that it had or will obtain all necessary rights, licenses, permits and authorities to carry on its business; that there are no bankruptcy proceedings or other proceedings currently pending or contemplated; and that the parties executing this Agreement on behalf of COMPANY are duly authorized.
15. COMPANY is aware of statutory limitations on this incentive and the use of funds under Article 5190.6 of Vernon’s Civil Statutes of Texas and acknowledges that the funds herein granted or guaranteed shall be utilized solely for purposes authorized under that law and by the terms of this Agreement. In the event that an audit determines that the financial incentives granted under this Agreement were not used for proper statutory purposes, COMPANY agrees to reimburse DDA for the sum of money spent for purposes not authorized by the statute or this Agreement.
16. Should any litigation be commenced between the parties to this Agreement, concerning this Agreement or the rights and duties of each party under this Agreement, the party prevailing in such litigation shall be entitled, in addition to any other relief granted, to recover its attorneys’ fees and other reasonable expenses incurred in such litigation. Venue for any lawsuit arising under the terms of this Agreement shall be in the appropriate court in Grayson County, Texas.
17. All representations, warranties, covenants and agreements, as well as rights and benefits for the parties to this Agreement shall survive the original execution date of this

Agreement until sixty (60) days after the termination date of this Agreement, if it should be terminated.

18. COMPANY may not assign this Agreement prior to Substantial Completion of 80,000 sq. ft. of building without the prior written consent of DDA to such assignment, but such agreed assignment shall not relieve COMPANY of any of its obligations under this Agreement.

COMPANY represents and warrants to DDA that:

- A. COMPANY is a corporation duly authorized to do business in the State of Texas and has requisite power and authority, corporate or otherwise, to conduct its business and to own its present assets, and to execute and deliver all of its obligations under this Agreement.
- B. The execution, delivery and performance by COMPANY of this Agreement have been duly authorized by all necessary action, corporate or otherwise, and do not and will not violate any provision of the existing law, rule, regulation, contract or lien by which COMPANY or its property or assets is bound or affected.
- C. No litigation or governmental proceeding is pending or, to the knowledge of COMPANY or COMPANY's officers, threatened against or effecting COMPANY that may result in any material adverse change in COMPANY's business, properties or operation.
- D. No consent, approval or authorization of or registration or declaration with any governmental authority is required in connection with the execution of this Agreement or of the transactions contemplated hereby.

Executed on the date shown opposite the signature of each party.

**Business and Industrial Corporation of Denison, Inc.,
D/b/a Denison Development Alliance**

BY ITS CHAIRMAN

DATE

R & A, Inc

BY ITS MANAGING MEMBER

DATE

***The effective date of the first rebate covered in this Agreement.**

DATE

Denison Development Alliance

Financial Statements

October 31, 2017

See Independent Accountant's Compilation Report
Veronica Brown Davis, CPA

Veronica Brown Davis, CPA

123 W. Main PO Box 1218 Denison, TX 75021-1218
Phone 903-463-3765 Fax 903-463-7262

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Denison Development Alliance
Denison, Texas

Management is responsible for the accompanying financial statements of the Denison Development Alliance (a nonprofit organization and component unit of the City of Denison, Texas), which comprise the statement of financial position as of October 31, 2017, and the related statements of activities, budgeted and actual, for the one month and year-to-date then ended in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The accompanying budget of the Denison Development Alliance for the one month and one months ended October 31, 2017, have not been compiled or examined by me and, accordingly, I do not express an opinion or any other form of assurance on it.

Management has elected to omit the statement of cash flows, and substantially all of the disclosures required in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted statement and disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Management has also elected to omit the summaries of significant assumptions and accounting policies required under established guidelines for presentation of prospective financial statements. If the omitted summaries were included in the budgeted information, they might influence the user's conclusions about the organization's budgeted information. Accordingly, these financial statements and budget information are not designed for those who are not informed about such matters.

As explained in note 2 to the financial statements, generally accepted accounting principles require that fixed assets be capitalized and depreciated over their estimated useful lives, and that loan proceeds and repayments be reported as an increase to reduction of a liability. The organization's management has elected to budget current year loan proceeds as income and certain capital purchases and loan payments as expenses. The effect of these departures from generally accepted accounting principles on financial position and results of operations has not been determined.

Veronica Brown Davis, CPA

Denison, Texas
December 6, 2017

**Denison Development Alliance
Statement of Financial Position
October 31, 2017**

ASSETS

Current Assets

Cash on hand	\$	200.00
Checking account		178,023.82
Money market account		1,615,952.62
MMA 4416 - Def Comp		296,246.10
Sales tax receivable		<u>170,278.87</u>

Total Current Assets \$ 2,260,701.41

Fixed Assets

Equipment	\$	31,804.92
---less depreciation		(31,804.92)
Furniture & fixtures		6,125.94
---less depreciation		(6,125.94)
Buildings		4,243,974.77
---less depreciation		(1,308,238.50)
Leasehold improvements		51,916.64
---less depreciation		(21,090.54)
Ind Park Infrac/streets		186,608.00
---less depreciation		(26,902.66)
Land		437,842.73
Hwy 75/84 Property		1,250,000.00
Land improvements		192,564.42
--- less depreciation		<u>(16,047.04)</u>

Total Fixed Assets 4,990,627.82

Total Assets \$ 7,251,329.23

**Denison Development Alliance
Statement of Financial Position
October 31, 2017**

LIABILITIES AND NET ASSETS

Current Liabilities

Security Deposit - Florestone	\$	67,702.46
Accrued Interest Payable		8,114.98
Deferred Revenue		1,666.00
Accrued Deferred Compensation		208,143.87
CP - Note Pay - ABT Florestone		399,690.16
CP- Woodforest Nat. Bank		<u>64,000.00</u>

Total Current Liabilities \$ 749,317.47

Long-term Liabilities

American Bank- Florestone Note	1,242,303.74
Woodforest Nat. Bk. Loan	569,000.00
Less current portion	<u>(463,690.16)</u>

Total Long-term Liabilities \$ 1,347,613.58

Net Assets

Unrestricted	3,224,314.87
Restricted for long-term debt	13,352.00
Net invested in capital assets	1,767,626.00
Current yr rev over(under) expenses	<u>149,105.31</u>

Total Net Assets 5,154,398.18

Total Liabilities & Net Assets \$ 7,251,329.23

Denison Development Alliance
Statement of Activities - Budgeted and Actual
For the One Month and Year to Date Periods Ended October 31, 2017

	<u>Current Month</u>	<u>Current Month Budget</u>	<u>Variance</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Annual Budget</u>
Revenues							
4a Sales Tax Revenue	\$ 170,278.87	\$ 149,581.17	\$ 20,697.70	\$ 170,278.87	\$ 149,581.17	\$ 20,697.70	\$ 1,794,974.00
Billboard Reimbursement	1,666.00	1,691.00	(25.00)	1,666.00	1,691.00	(25.00)	20,292.00
Interest Income	255.22	321.17	(65.95)	255.22	321.17	(65.95)	3,854.00
Lease Income - Florestone	33,851.23	33,851.17	0.06	33,851.23	33,851.17	0.06	406,214.00
Property Tax Income - Florestone	-	7,783.33	(7,783.33)	-	7,783.33	(7,783.33)	93,400.00
Total Revenues	\$ 206,051.32	\$ 193,227.84	\$ 12,823.48	\$ 206,051.32	\$ 193,227.84	\$ 12,823.48	\$ 2,318,734.00
Expenses							
Administrative							
Annual Meeting (Summit)	\$ -	\$ 541.67	\$ 541.67	\$ -	\$ 541.67	\$ 541.67	\$ 6,500.00
Audit/Accounting	475.00	1,395.83	920.83	475.00	1,395.83	920.83	16,750.00
Automotive Allowance	-	950.00	950.00	-	950.00	950.00	11,400.00
Bank Fees	-	4.17	4.17	-	4.17	4.17	50.00
Computer Expenses	-	458.33	458.33	-	458.33	458.33	5,500.00
Consultant Fees	40.00	4,166.67	4,126.67	40.00	4,166.67	4,126.67	50,000.00
Copier/Maintenance	258.01	70.83	(187.18)	258.01	70.83	(187.18)	850.00
Deferred Compensation Trust	-	2,083.33	2,083.33	-	2,083.33	2,083.33	25,000.00
Employee Insurance	(525.47)	2,597.50	3,122.97	(525.47)	2,597.50	3,122.97	31,170.00
Equip Rent/Maint/Purchase	-	100.00	100.00	-	100.00	100.00	1,200.00
Janitorial/Office Maintenance	45.00	125.00	80.00	45.00	125.00	80.00	1,500.00
Legal Services	-	833.33	833.33	-	833.33	833.33	10,000.00
Liability Insurance	-	441.67	441.67	-	441.67	441.67	5,300.00
Meeting Refreshments	640.32	141.67	(498.65)	640.32	141.67	(498.65)	1,700.00
Miscellaneous Expense	-	125.00	125.00	-	125.00	125.00	1,500.00
Office Furnishings	-	83.33	83.33	-	83.33	83.33	1,000.00
Office Lease	1,291.40	1,291.42	0.02	1,291.40	1,291.42	0.02	15,497.00
Office Supplies	-	458.33	458.33	-	458.33	458.33	5,500.00
Payroll Taxes	865.20	1,899.58	1,034.38	865.20	1,899.58	1,034.38	22,795.00
Postage	-	183.33	183.33	-	183.33	183.33	2,200.00
Professional Development	801.00	1,083.33	282.33	801.00	1,083.33	282.33	13,000.00
Retirement	(828.48)	3,290.58	4,119.06	(828.48)	3,290.58	4,119.06	39,487.00
Salaries	11,835.35	24,504.00	12,668.65	11,835.35	24,504.00	12,668.65	294,048.00
Subscriptions/Dues	92.00	186.67	94.67	92.00	186.67	94.67	2,240.00
Telephone/Communications	321.72	808.33	486.61	321.72	808.33	486.61	9,700.00
Travel	-	250.00	250.00	-	250.00	250.00	3,000.00
Utilities	347.87	575.00	227.13	347.87	575.00	227.13	6,900.00
Workers Comp	-	75.00	75.00	-	75.00	75.00	900.00
Subtotal Administrative	15,658.92	48,723.90	33,064.98	15,658.92	48,723.90	33,064.98	584,687.00

Denison Development Alliance
Statement of Activities - Budgeted and Actual
For the One Month and Year to Date Periods Ended October 31, 2017

	<u>Current Month</u>	<u>Current Month Budget</u>	<u>Variance</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Annual Budget</u>
Program Expenses							
Briefing Center Equipment/Presentations	\$ -	\$ 291.67	\$ 291.67	\$ -	\$ 291.67	\$ 291.67	\$ 3,500.00
Regis Online	-	300.00	300.00	-	300.00	300.00	3,600.00
Geographic Information System	-	-	-	-	-	-	-
Retail Lease Trac	-	-	-	-	-	-	-
Retail Market Analysis	-	416.67	416.67	-	416.67	416.67	5,000.00
Workforce Development	10,329.77	7,616.67	(2,713.10)	10,329.77	7,616.67	(2,713.10)	91,400.00
Xceligent Direct	5,400.00	450.00	(4,950.00)	5,400.00	450.00	(4,950.00)	5,400.00
Subtotal Program Exp.	15,729.77	9,075.01	(6,654.76)	15,729.77	9,075.01	(6,654.76)	108,900.00
Property Mgmt. Expenses							
Business /Industrial Park Maintenance	-	250.00	250.00	-	250.00	250.00	3,000.00
Florestone Building (Interest on Note)	7,458.21	39,489.92	32,031.71	7,458.21	39,489.92	32,031.71	473,879.00
Florestone Insurance (Liability)	395.00	32.92	(362.08)	395.00	32.92	(362.08)	395.00
Florestone Bldg. Taxes (Property)	-	7,783.33	7,783.33	-	7,783.33	7,783.33	93,400.00
Subtotal Property Mgmt. Exp.	7,853.21	47,556.17	39,702.96	7,853.21	47,556.17	39,702.96	570,674.00
Marketing							
Materials/Activities							
Advertising	3,880.00	1,666.67	(2,213.33)	3,880.00	1,666.67	(2,213.33)	20,000.00
Behavioral Marketing	-	2,083.33	2,083.33	-	2,083.33	2,083.33	25,000.00
Billboard (Hwy 75)	-	25.00	25.00	-	25.00	25.00	300.00
Business Retention Activities	-	250.00	250.00	-	250.00	250.00	3,000.00
Corporate Visitation	-	250.00	250.00	-	250.00	250.00	3,000.00
Direct Mail Program	-	166.67	166.67	-	166.67	166.67	2,000.00
Mailing Lists	-	166.67	166.67	-	166.67	166.67	2,000.00
Maps & Photos	289.00	416.67	127.67	289.00	416.67	127.67	5,000.00
Meeting Expense	-	250.00	250.00	-	250.00	250.00	3,000.00
Meeting Sponsorship	-	208.33	208.33	-	208.33	208.33	2,500.00
NTRA Cooperative Advertising	-	2,750.00	2,750.00	-	2,750.00	2,750.00	33,000.00
PR Firm	-	833.33	833.33	-	833.33	833.33	10,000.00
Prospect Hosting	-	250.00	250.00	-	250.00	250.00	3,000.00
Recruitment Missions	-	2,250.00	2,250.00	-	2,250.00	2,250.00	27,000.00
Special Events	277.94	416.67	138.73	277.94	416.67	138.73	5,000.00
Team Texas/DFW Marketing	-	1,666.67	1,666.67	-	1,666.67	1,666.67	20,000.00
Trade Shows	-	250.00	250.00	-	250.00	250.00	3,000.00
Website Update	450.00	2,083.33	1,633.33	450.00	2,083.33	1,633.33	25,000.00
Website/Email Hosting	-	291.67	291.67	-	291.67	291.67	3,500.00
Subtotal Marketing	4,896.94	16,275.01	11,378.07	4,896.94	16,275.01	11,378.07	195,300.00
Total Admin, Prog., Mgmt, & Mkt	44,138.84	121,630.09	77,491.25	44,138.84	121,630.09	77,491.25	1,459,561.00
Revenue over (under) expenses after administration, property management, and marketing	161,912.48	71,597.75	90,314.73	161,912.48	71,597.75	90,314.73	859,173.00

Denison Development Alliance
Statement of Activities - Budgeted and Actual
For the One Month and Year to Date Periods Ended October 31, 2017

	<u>Current Month</u>	<u>Current Month Budget</u>	<u>Variance</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Annual Budget</u>
One-Time Expenses/Obligated Incentives							
Downtown TIF/Planning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gas Line Extension (75/91)	-	6,702.08	6,702.08	-	6,702.08	6,702.08	80,425.00
Infrastructure	-	8,333.33	8,333.33	-	8,333.33	8,333.33	100,000.00
Bent Leaf, LLC	-	1,679.17	1,679.17	-	1,679.17	1,679.17	20,150.00
Façade Incentives	3,000.00	4,166.67	1,166.67	3,000.00	4,166.67	1,166.67	50,000.00
Hilton Garden Inn/Texoma Event Center	-	4,166.67	4,166.67	-	4,166.67	4,166.67	50,000.00
National Govt. Services Incentive	-	-	-	-	-	-	-
Novo1/Dialog Direct Incentives	-	-	-	-	-	-	-
Ruiz Foods Incentive	-	-	-	-	-	-	-
Texas Turbines, Inc. Incentive	-	-	-	-	-	-	-
US Aviation Group Incentives	-	-	-	-	-	-	-
Visionary Ind. Insulation, Inc. Incentives	-	-	-	-	-	-	-
Subtotal one-time expenses	<u>3,000.00</u>	<u>25,047.92</u>	<u>22,047.92</u>	<u>3,000.00</u>	<u>25,047.92</u>	<u>22,047.92</u>	<u>300,575.00</u>
Revenue (over) under before other non-budgeted items	158,912.48	46,549.83	112,362.65	158,912.48	46,549.83	112,362.65	558,598.00
Depreciation	9,807.17	-	(9,807.17)	9,807.17	-	(9,807.17)	-
Revenue(over) under expenses	<u>\$ 149,105.31</u>	<u>\$ 46,549.83</u>	<u>\$ 102,555.48</u>	<u>\$ 149,105.31</u>	<u>\$ 46,549.83</u>	<u>\$ 102,555.48</u>	<u>\$ 558,598.00</u>

DENISON DEVELOPMENT ALLIANCE
Selected Information
Substantially All Disclosures Required by Accounting Principles
Generally Accepted in the United States are Not Included
October 31, 2017

Note 1 - Organization and Business

Business and Industrial Corporation of Denison, Inc. is a component unit of the City of Denison, Texas, doing business as Denison Development Alliance. Their mission is to stimulate growth of the local economy by locating, inducing and assisting businesses making investment decisions.

Note 2 - Accounting Policies

The financial statements have been prepared on the accrual basis of accounting.

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

The basis of accounting used by the organization requires that fixed assets be capitalized and depreciated over their estimated useful lives, and that loan proceeds and repayments be reported as an increase in or reduction of a liability. The organization's budgeted revenues and expenses include loan proceeds as revenue and capital improvements and loan payments as expenses.

Denison Development Alliance

Financial Statements

November 30, 2017

See Independent Accountant's Compilation Report
Veronica Brown Davis, CPA

Veronica Brown Davis, CPA

123 W. Main PO Box 1218 Denison, TX 75021-1218
Phone 903-463-3765 Fax 903-463-7262

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Denison Development Alliance
Denison, Texas

Management is responsible for the accompanying financial statements of the Denison Development Alliance (a nonprofit organization and component unit of the City of Denison, Texas), which comprise the statement of financial position as of November 30, 2017, and the related statements of activities, budgeted and actual, for the one month and year-to-date then ended in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The accompanying budget of the Denison Development Alliance for the one month and two months ended November 30, 2017, have not been compiled or examined by me and, accordingly, I do not express an opinion or any other form of assurance on it.

Management has elected to omit the statement of cash flows, and substantially all of the disclosures required in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted statement and disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Management has also elected to omit the summaries of significant assumptions and accounting policies required under established guidelines for presentation of prospective financial statements. If the omitted summaries were included in the budgeted information, they might influence the user's conclusions about the organization's budgeted information. Accordingly, these financial statements and budget information are not designed for those who are not informed about such matters.

As explained in note 2 to the financial statements, generally accepted accounting principles require that fixed assets be capitalized and depreciated over their estimated useful lives, and that loan proceeds and repayments be reported as an increase to reduction of a liability. The organization's management has elected to budget current year loan proceeds as income and certain capital purchases and loan payments as expenses. The effect of these departures from generally accepted accounting principles on financial position and results of operations has not been determined.

Veronica Brown Davis, CPA

Denison, Texas
December 13, 2017

**Denison Development Alliance
Statement of Financial Position
November 30, 2017**

ASSETS

Current Assets

Cash on hand	\$	200.00
Checking account		195,483.11
Money market account		1,551,644.51
MMA 4416 - Def Comp		321,282.25
Accounts Receivable		129,575.97
Sales tax receivable		<u>127,501.13</u>

Total Current Assets \$ 2,325,686.97

Fixed Assets

Equipment	\$	31,804.92
---less depreciation		(31,804.92)
 Furniture & fixtures		 6,125.94
---less depreciation		(6,125.94)
 Buildings		 4,243,974.77
---less depreciation		(1,317,080.11)
 Leasehold improvements		 51,916.64
---less depreciation		(21,258.71)
 Ind Park Infrs/streets		 186,608.00
---less depreciation		(27,058.17)
 Land		 437,842.73
Hwy 75/84 Property		1,250,000.00
 Land improvements		 192,564.42
--- less depreciation		<u>(16,688.92)</u>

Total Fixed Assets 4,980,820.65

Total Assets \$ 7,306,507.62

**Denison Development Alliance
Statement of Financial Position
November 30, 2017**

LIABILITIES AND NET ASSETS

Current Liabilities

Security Deposit - Florestone	\$	67,702.46
Payroll taxes payable		0.73
Accrued Interest Payable		8,114.98
Deferred Revenue		128,091.97
Accrued Deferred Compensation		208,143.87
CP - Note Pay - ABT Florestone		402,021.69
CP- Woodforest Nat. Bank		<u>64,000.00</u>

Total Current Liabilities \$ 878,075.70

Long-term Liabilities

American Bank- Florestone Note	1,210,295.95
Woodforest Nat. Bk. Loan	569,000.00
Less current portion	<u>(466,021.69)</u>

Total Long-term Liabilities \$ 1,313,274.26

Net Assets

Unrestricted	3,224,314.87
Restricted for long-term debt	13,352.00
Net invested in capital assets	1,767,626.00
Current yr rev over(under) expenses	<u>109,864.79</u>

Total Net Assets 5,115,157.66

Total Liabilities & Net Assets \$ 7,306,507.62

Denison Development Alliance
Statement of Activities - Budgeted and Actual
For the One Month and Year to Date Periods Ended November 30, 2017

	<u>Current</u> <u>Month</u>	<u>Current Month</u> <u>Budget</u>	<u>Variance</u>	<u>YTD</u> <u>Actual</u>	<u>YTD</u> <u>Budget</u>	<u>YTD</u> <u>Variance</u>	<u>Annual</u> <u>Budget</u>
Revenues							
4a Sales Tax Revenue	\$ 127,501.13	\$ 149,581.17	\$ (22,080.04)	\$ 297,780.00	\$ 299,162.33	\$ (1,382.33)	\$ 1,794,974.00
Billboard Reimbursement	1,666.00	1,691.00	(25.00)	3,332.00	3,382.00	(50.00)	20,292.00
Interest Income	217.93	321.17	(103.24)	473.15	642.33	(169.18)	3,854.00
Lease Income - Florestone	33,851.23	33,851.17	0.06	67,702.46	67,702.33	0.13	406,214.00
Property Tax Income - Florestone	-	7,783.33	(7,783.33)	-	15,566.67	(15,566.67)	93,400.00
Total Revenues	\$ 163,236.29	\$ 193,227.84	\$ (29,991.55)	\$ 369,287.61	\$ 386,455.66	\$ (17,168.05)	\$ 2,318,734.00
Expenses							
Administrative							
Annual Meeting (Summit)	\$ 1,000.00	\$ 541.67	\$ (458.33)	\$ 1,000.00	\$ 1,083.33	\$ 83.33	\$ 6,500.00
Audit/Accounting	1,145.00	1,395.83	250.83	1,620.00	2,791.67	1,171.67	16,750.00
Automotive Allowance	1,300.00	950.00	(350.00)	1,300.00	1,900.00	600.00	11,400.00
Bank Fees	-	4.17	4.17	-	8.33	8.33	50.00
Computer Expenses	50.00	458.33	408.33	50.00	916.67	866.67	5,500.00
Consultant Fees	(3,150.00)	4,166.67	7,316.67	(3,110.00)	8,333.33	11,443.33	50,000.00
Copier/Maintenance	-	70.83	70.83	258.01	141.67	(116.34)	850.00
Deferred Compensation Trust	-	2,083.33	2,083.33	-	4,166.67	4,166.67	25,000.00
Employee Insurance	2,174.67	2,597.50	422.83	1,649.20	5,195.00	3,545.80	31,170.00
Equip Rent/Maint/Purchase	17.99	100.00	82.01	17.99	200.00	182.01	1,200.00
Janitorial/Office Maintenance	135.00	125.00	(10.00)	180.00	250.00	70.00	1,500.00
Legal Services	300.00	833.33	533.33	300.00	1,666.67	1,366.67	10,000.00
Liability Insurance	-	441.67	441.67	-	883.33	883.33	5,300.00
Meeting Refreshments	(225.75)	141.67	367.42	414.57	283.33	(131.24)	1,700.00
Miscellaneous Expense	383.00	125.00	(258.00)	383.00	250.00	(133.00)	1,500.00
Office Furnishings	46.19	83.33	37.14	46.19	166.67	120.48	1,000.00
Office Lease	-	1,291.42	1,291.42	1,291.40	2,582.83	1,291.43	15,497.00
Office Supplies	456.61	458.33	1.72	456.61	916.67	460.06	5,500.00
Payroll Taxes	1,703.82	1,899.58	195.76	2,569.02	3,799.17	1,230.15	22,795.00
Postage	225.00	183.33	(41.67)	225.00	366.67	141.67	2,200.00
Professional Development	1,824.02	1,083.33	(740.69)	2,625.02	2,166.67	(458.35)	13,000.00
Retirement	3,376.78	3,290.58	(86.20)	2,548.30	6,581.17	4,032.87	39,487.00
Salaries	23,797.20	24,504.00	706.80	35,632.55	49,008.00	13,375.45	294,048.00
Subscriptions/Dues	-	186.67	186.67	92.00	373.33	281.33	2,240.00
Telephone/Communications	797.82	808.33	10.51	1,119.54	1,616.67	497.13	9,700.00
Travel	139.64	250.00	110.36	139.64	500.00	360.36	3,000.00
Utilities	377.72	575.00	197.28	725.59	1,150.00	424.41	6,900.00
Workers Comp	(44.00)	75.00	119.00	(44.00)	150.00	194.00	900.00
Subtotal Administrative	35,830.71	48,723.90	12,893.19	51,489.63	97,447.85	45,958.22	584,687.00

Denison Development Alliance
Statement of Activities - Budgeted and Actual
For the One Month and Year to Date Periods Ended November 30, 2017

	<u>Current Month</u>	<u>Current Month Budget</u>	<u>Variance</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Annual Budget</u>
Program Expenses							
Briefing Center Equipment/Presentations	\$ -	\$ 291.67	\$ 291.67	\$ -	\$ 583.33	\$ 583.33	\$ 3,500.00
Regis Online	-	300.00	300.00	-	600.00	600.00	3,600.00
Geographic Information System	-	-	-	-	-	-	-
Retail Lease Trac	-	-	-	-	-	-	-
Retail Market Analysis	-	416.67	416.67	-	833.33	833.33	5,000.00
Workforce Development	597.69	7,616.67	7,018.98	10,927.46	15,233.33	4,305.87	91,400.00
Xceligent Direct	-	450.00	450.00	5,400.00	900.00	(4,500.00)	5,400.00
Subtotal Program Exp.	597.69	9,075.01	8,477.32	16,327.46	18,149.99	1,822.53	108,900.00
Property Mgmt. Expenses							
Business /Industrial Park Maintenance	-	250.00	250.00	-	500.00	500.00	3,000.00
Florestone Building (Interest on Note)	7,482.10	39,489.92	32,007.82	14,940.31	78,979.83	64,039.52	473,879.00
Florestone Insurance (Liability)	-	32.92	32.92	395.00	65.83	(329.17)	395.00
Florestone Bldg. Taxes (Property)	-	7,783.33	7,783.33	-	15,566.67	15,566.67	93,400.00
Subtotal Property Mgmt. Exp.	7,482.10	47,556.17	40,074.07	15,335.31	95,112.33	79,777.02	570,674.00
Marketing							
Materials/Activities							
Advertising	6,133.62	1,666.67	(4,466.95)	10,013.62	3,333.33	(6,680.29)	20,000.00
Behavioral Marketing	-	2,083.33	2,083.33	-	4,166.67	4,166.67	25,000.00
Billboard (Hwy 75)	-	25.00	25.00	-	50.00	50.00	300.00
Business Retention Activities	-	250.00	250.00	-	500.00	500.00	3,000.00
Corporate Visitation	-	250.00	250.00	-	500.00	500.00	3,000.00
Direct Mail Program	-	166.67	166.67	-	333.33	333.33	2,000.00
Mailing Lists	-	166.67	166.67	-	333.33	333.33	2,000.00
Maps & Photos	-	416.67	416.67	289.00	833.33	544.33	5,000.00
Meeting Expense	301.43	250.00	(51.43)	301.43	500.00	198.57	3,000.00
Meeting Sponsorship	-	208.33	208.33	-	416.67	416.67	2,500.00
NTRA Cooperative Advertising	-	2,750.00	2,750.00	-	5,500.00	5,500.00	33,000.00
PR Firm	12.00	833.33	821.33	12.00	1,666.67	1,654.67	10,000.00
Prospect Hosting	385.19	250.00	(135.19)	385.19	500.00	114.81	3,000.00
Recruitment Missions	992.83	2,250.00	1,257.17	992.83	4,500.00	3,507.17	27,000.00
Special Events	2,500.00	416.67	(2,083.33)	2,777.94	833.33	(1,944.61)	5,000.00
Team Texas/DFW Marketing	-	1,666.67	1,666.67	-	3,333.33	3,333.33	20,000.00
Trade Shows	-	250.00	250.00	-	500.00	500.00	3,000.00
Website Update	-	2,083.33	2,083.33	450.00	4,166.67	3,716.67	25,000.00
Website/Email Hosting	49.75	291.67	241.92	49.75	583.33	533.58	3,500.00
Subtotal Marketing	10,374.82	16,275.01	5,900.19	15,271.76	32,549.99	17,278.23	195,300.00
Total Admin, Prog., Mgmt, & Mkt	54,285.32	121,630.09	67,344.77	98,424.16	243,260.16	144,836.00	1,459,561.00
Revenue over (under) expenses after administration, property management, and marketing	108,950.97	71,597.75	37,353.22	270,863.45	143,195.50	127,667.95	859,173.00

Denison Development Alliance
Statement of Activities - Budgeted and Actual
For the One Month and Year to Date Periods Ended November 30, 2017

	<u>Current Month</u>	<u>Current Month Budget</u>	<u>Variance</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Annual Budget</u>
One-Time Expenses/Obligated Incentives							
Downtown TIF/Planning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gas Line Extension (75/91)	-	6,702.08	6,702.08	-	13,404.17	13,404.17	80,425.00
Infrastructure	136,284.32	8,333.33	(127,950.99)	136,284.32	16,666.67	(119,617.65)	100,000.00
Bent Leaf, LLC	2,100.00	1,679.17	(420.83)	2,100.00	3,358.33	1,258.33	20,150.00
Façade Incentives	-	4,166.67	4,166.67	3,000.00	8,333.33	5,333.33	50,000.00
Hilton Garden Inn/Texoma Event Center	-	4,166.67	4,166.67	-	8,333.33	8,333.33	50,000.00
National Govt. Services Incentive	-	-	-	-	-	-	-
Novo1/Dialog Direct Incentives	-	-	-	-	-	-	-
Ruiz Foods Incentive	-	-	-	-	-	-	-
Texas Turbines, Inc. Incentive	-	-	-	-	-	-	-
US Aviation Group Incentives	-	-	-	-	-	-	-
Visionary Ind. Insulation, Inc. Incentives	-	-	-	-	-	-	-
Subtotal one-time expenses	138,384.32	25,047.92	(113,336.40)	141,384.32	50,095.83	(91,288.49)	300,575.00
Revenue (over) under before other non-budgeted items	(29,433.35)	46,549.83	(75,983.18)	129,479.13	93,099.67	36,379.46	558,598.00
Depreciation	9,807.17	-	(9,807.17)	19,614.34	-	(19,614.34)	-
Revenue(over) under expenses	\$ (39,240.52)	\$ 46,549.83	\$ (85,790.35)	\$ 109,864.79	\$ 93,099.67	\$ 16,765.12	\$ 558,598.00



Employee Handbook



Revised: December 2017

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EMPLOYEE ACKNOWLEDGEMENT FORM

The Denison Development Alliance (the "DDA") Employee Handbook describes important information about the DDA's personnel policies and procedures, and I understand that I should consult the VP of Operations and/or the President regarding any questions not answered in the Employee Handbook. I have entered into my employment relationship with DDA voluntarily and acknowledge there is no specified length of employment. Accordingly, either I or DDA can terminate the relationship at will, with or without cause, at any time.

With the exception of the DDA's employment-at-will policy, all of the information, policies, and benefits described in the Employee Handbook are subject to change. I understand that revised information may supersede, modify, or eliminate existing policies. In the event of a conflict, I understand that the Employee Handbook supersedes all department policies. I agree that any conflicts or ambiguities in DDA policies and procedures will be decided by the President.

I have received the Employee Handbook, and I understand that it is my responsibility to read and comply with the policies contained in it and any revisions made to it. I also understand that the policies in this Employee Handbook supersede all prior written and/or oral DDA policies.

I also acknowledge receipt of the following items:

- | | |
|--|---|
| <input type="checkbox"/> RETIREMENT PROGRAM SUMMARY (If Applicable) | <input type="checkbox"/> DRUG FREE WORKPLACE FORM |
| <input type="checkbox"/> EMERGENCY PROCEDURES | <input type="checkbox"/> WORKMAN'S COMPENSATION SUMMARY |
| <input type="checkbox"/> KEY TO FACILITIES (If Applicable) | <input type="checkbox"/> EMPLOYEE HANDBOOK |
| <input type="checkbox"/> MEDICAL INSURANCE CERTIFICATION (If Applicable) | <input type="checkbox"/> EMPLOYEE ACKNOWLEDGMENT FORM |
| <input type="checkbox"/> MEDICAL PLAN SUMMARY (If Applicable) | <input type="checkbox"/> CONFIDENTIALLY AGREEMENT |
| <input type="checkbox"/> STRATEGIC PLAN | <input type="checkbox"/> ANNUAL BUDGET |

EMPLOYEE'S SIGNATURE

DATE

EMPLOYEE'S NAME (TYPED OR PRINTED)

VP OF OPERATION'S SIGNATURE

DATE

SECTION I

GOVERNING PRINCIPLES OF EMPLOYMENT

1.1 INTRODUCTION

This Employee Handbook is designed to acquaint you with the Denison Development Alliance (the "DDA") and provide you with information about working conditions, employee benefits, and some of the other policies affecting your employment. You are expected to read, understand, and comply with all provisions of the Employee Handbook. It describes many of your responsibilities as an employee and outlines many of the programs provided by the DDA to benefit employees.

The policies set forth in this Employee Handbook are not intended to create a contract, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between the DDA and any of its employees. Furthermore, nothing herein may be construed to constitute a waiver of employment at-will and the Denison Development Alliance specifically expresses its intent to continue its status as an at-will employer. The provisions of the Employee Handbook have been developed at the discretion of Board of Directors and, except for its policy of employment at will, may be amended or canceled at any time, at the Board's sole discretion. The policies in this Employee Handbook supersede all prior written and/or oral DDA policies. If you have any questions about any of DDA's policies, please ask the VP of Operations or the President.

The policies in this Handbook are established by the Denison Development Alliance Board of Directors and any amended, revised, or new policies must be approved by the Board of Directors. These policies apply to all DDA employees unless specified otherwise by the policy itself, by State or Federal law, or official Board action.

A copy of the Employee Handbook shall be issued to each full-time DDA employee. Part-time, temporary, and seasonal employees are not eligible for full-time benefits or classified pay plan status. All employees are required to be knowledgeable and familiar with the policies contained in this Handbook. This Handbook shall supersede all previous publications of the Denison Development Alliance Personnel Policy Manual. Each employee shall sign a form acknowledging receipt of this policy and the signed form shall be retained in the employee's personnel file.

1.2 MISSION STATEMENT

The mission of the Denison Development Alliance is to stimulate growth of the area economy by locating, inducing and assisting businesses making investment decisions. Success will provide investment and job opportunities, equitable income for area residents, and enhance the community's ability to provide quality public services. Together, this will provide a climate for a better quality of life for the citizens of the Denison area.

1.3 THE ORGANIZATION

The Denison Development Alliance (DDA) is a public instrumentality and a nonprofit corporation created under Section 4A of the Development Corporation Act of 1979, Article 5190.6 of the Revised Civil Statutes of Texas, as amended.

The DDA is organized exclusively for the purpose of benefiting the City of Denison, Texas by promoting, assisting and enhancing business development activities for the City. It shall develop and implement a competitive business development program for Denison which will: encourage expansion of existing industries and establishment of new industries; maintain existing jobs and create new permanent jobs, and strengthen the technical skills of the labor force. The Corporation has no members and is a non-stock corporation.

The Denison Development Alliance works in a public/private partnership with the Denison Development Foundation promoting commercial and industrial progress. In general terms, the DDA is a clearinghouse of community, state, and business information. Any individual or company who desires information about any aspect of doing business in Texas or Denison can contact the DDA.

A five member Board of Directors appointed by the Mayor and City Council manages the affairs of the DDA. All voting rights shall be vested solely in the Board, whose members serve without compensation.

The policies of the Denison Development Alliance shall be administered with a positive attitude. It is the responsibility of the President to ensure affirmative implementation of these policies to avoid any discrimination in employment.

DDA maintains an office location at 311 West Woodard Street, Denison, Texas 75020. The Postal Service requests that DDA's address look like this:

DENISON DEVELOPMENT ALLIANCE
311 W WOODWARD ST
DENISON, TX 75020

1.4 EMPLOYMENT AT WILL

Employees who do not have a written, individual employment contract, approved by the DDA Board of Directors are employed at will. As an at-will employee, either the employee or DDA may terminate the employment relationship at any time, for any reason, without notice or cause.

Although adherence to these policies is considered a condition of continued employment, nothing in these policies alters an employee's at-will status and shall not constitute nor be deemed a contract or promise of employment. Employees remain free to resign their employment at any time for any or no reason, without notice, and the DDA retains the right to terminate any employee at any time, for any or no reason.

The President, with the approval of the Board, has the sole responsibility for hiring.

1.5 TRAINING PERIOD

Each employee will serve in a training period for the first three calendar months of employment. The initial three month period following employment or placement in a new position is considered an evaluation period. This is a period of adjustment and adaptation on a personal level and a job requirement level. The employee is expected to meet or exceed minimal requirements of the position during this period. If, during this period, the employee fails to meet the minimal requirements of the position, the employee will be terminated.

1.6 POLITICAL ACTIVITY

Denison Development Alliance employees will not be appointed or retained on the basis of their political support or activities. DDA employees are encouraged to vote and to exercise other prerogatives of citizenship consistent with state and federal law and these policies. DDA employees may not:

- Publicly endorse or campaign in any manner for any person seeking public office for the City of Denison while on duty.
- Use his or her position or office to coerce political support from employees or citizens.
- Use his or her official authority or influence to interfere with or affect the result of a campaign issue, an election or nomination for public office.
- Make, solicit or receive any contribution to the campaign funds of any candidate, directly or indirectly through an organization or association, for the DDA or take any part in the management, affairs or political campaign of any such candidate while providing services in course of scope of their duties. This includes federal and state political activity and campaigning. Nothing herein is intended to infringe upon the constitutional rights of an employee to express his or her opinions and to cast his/her vote.
- Use working hours or DDA property to be in any way concerned with soliciting or receiving any subscription, contribution or political service to circulate petitions or campaign literature on behalf of an election issue or candidate for public office in any jurisdiction.
- Contribute money, labor, time or other valuable thing to any person for DDA election purposes.
- Hold an appointive or elective office of public trust where service would constitute a direct conflict of interest with DDA employment, e.g. City of Denison City Council or Grayson County governmental office. Upon becoming a candidate or otherwise deciding to seek or assume such an office, an employee must immediately resign or will be terminated upon failure to do so.

1.7 CONFLICT OF INTEREST

It is the policy of the Denison Development Alliance that all employees conduct their business affairs in such a manner and with such ethics and integrity that no conflict of interest, real or implied, could be misconstrued.

A conflict of interest shall be deemed to exist whenever an employee has a financial interest, direct or indirect, with a supplier or other principal dealing with the DDA in which that interest is of such extent or nature that it might reasonably affect judgment on decisions exercised on behalf of the DDA and its activities.

Violations of this policy may result in disciplinary action up to and including termination of employment.

1.8 SOLICITATION OF FUNDS

Solicitation of funds or anything of value for any purpose whatsoever shall be permitted by DDA employees on work time only with the approval of the President and/or his or her designee. No employee may be required to make any contribution nor may an employee be penalized in any way concerning his or her employment according to his or her response to a solicitation.

SECTION 2

OPERATIONAL POLICIES

2.1 JOB DESCRIPTIONS

The President is responsible for creating and updating written job descriptions for each position within the organization, and providing a copy of each job description to the VP of Operations. All job descriptions must be written in a standard format adopted and approved by the President. The President will periodically review the duties and responsibilities of each position within DDA and set pay levels commensurate with the duties and responsibilities, skill, educational requirements and experience level associated with each position.

2.2 BASIC EMPLOYMENT QUALIFICATIONS

In addition to the qualifications applicable to each position, an applicant for employment with the DDA must:

- Full time employees must have at least a high school diploma/G.E.D. Part-time, temporary, seasonal positions must meet the requirements under any federal and state child labor laws;
- Provide authorization for pre-employment background and criminal history checks (if needed);
- Consent to conditional pre-employment physical evaluation and drug testing (if needed);
- Be at least 18 years of age;
- Have a social security number;
- Be a citizen of the United States or possess a valid resident alien work card;
- Agree to be fingerprinted (if needed);
- Not be addicted to the use of narcotics or alcohol;

2.3 PROOF OF EMPLOYMENT ELIGIBILITY AND IDENTITY

The DDA is committed to employing only those individuals who are authorized to work in the United States and who comply with the requirements of the Immigration Reform and Control Act of 1986 (IRCA). Under IRCA, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form (I-9 Form) and present legally acceptable documentation establishing identity and employment eligibility. This must be done within 3 days of beginning employment. Failure to provide the necessary documentation within 3 days will result in termination of employment. Former employees who are rehired must also complete an I-9 Form if they have not completed an I-9 Form with the DDA within the past 3 years, or if their previous I-9 Form is no longer retained or valid.

2.4 PERSONNEL RECORDS

Important events in each employee's history with the DDA will be recorded and kept in the employee's official personnel file. Performance reviews, change of status records, commendations, disciplinary actions, and educational and professional attainment records are examples of records maintained in your file.

Employees must promptly inform the VP of Operations of any changes in name, address, home phone number, and family status (births, marriage, death, divorce, legal separation), and name and address of dependents (for benefits and tax withholding purposes only), beneficiary designations, persons to be notified in an emergency, educational accomplishments, and relevant certifications or licenses. This responsibility also applies to employees on leaves of absence.

The DDA relies on the accuracy of information provided by individuals in their resume and employment application, as well as other data provided throughout the hiring process and during employment. Any misrepresentations, falsifications, or material and/or purposeful omissions in any of this information may result in the exclusion of the applicant from further consideration for employment or, if the person has been hired, termination from employment.

Personnel files of employees are the property of the DDA and access to the information they contain is restricted. However, access to the information in an employee's personnel file may be subject to disclosure in accordance with the Texas Public Information Act.

2.5 OTHER EMPLOYMENT

Employees may not accept outside or self-employment that conflicts with the effective performance of the employee's duties with the DDA, or conflicts in any way with the best interests of the City of Denison. Other outside activities, such as volunteer activities, that might similarly detract from an employee's ability to perform his or her job with the DDA are also prohibited.

An employee will not be covered by the DDA's workers' compensation insurance while working for another employer or while self-employed.

Approval for outside or self-employment as set out in this policy does not authorize an employee on FMLA leave, sick leave, disability leave, workers' compensation leave, or an unpaid leave of absence, to engage in any outside or self-employment. Under no circumstances may an employee on FMLA leave, sick leave, disability leave, workers' compensation leave, or an unpaid leave of absence, engage in outside or self-employment, as defined in this policy, unless expressly authorized in writing by the President.

For purposes of this policy, outside or self-employment includes a job, activity, or enterprise which constitutes a form of employment or business outside the responsibilities of employment with the DDA. This policy is not intended to cover volunteer work with a non-profit organization,

such as United Way, Boy Scouts, Girl Scouts, American Heart Association, faith based activities or similar activities, which do not interfere with an employee's performance of his or her job duties and where compensation is neither expected nor paid in the ordinary course of operations.

2.6 EMERGENCY CLOSING/INCLEMENT WEATHER

During inclement weather, DDA employees should assume the DDA offices will be open unless notified otherwise by the President. All instructions regarding inclement weather and/or emergency closings will be issued by the President.

In the event of inclement weather, employees are expected to use their good judgment and are asked not to take unnecessary risks. If you feel that you are unable to drive due to weather conditions or are otherwise unable to get to work because of the weather, you must call the President. (You must make this call no later than the time you would normally leave home for your commute to work, or as otherwise directed by the President.)

Under certain circumstances, the President may close the office. If the President makes the decision to close DDA offices, affected employees will have an excused absence with pay. If the office is not officially closed, absences due to weather will not be excused and any employee who fails to report to work will be charged vacation time for the day(s) missed. If an exempt employee has no accrued vacation time, he or she will be required to make up the missed time at a later date. If a nonexempt employee has no accrued vacation or compensatory time available during the pay period, he or she will not be paid for the time missed. The excused absence for inclement weather, emergency, or other DDA office closings would not apply to employees on sick leave.

2.7 PROFESSIONAL DEVELOPMENT/TRAINING

From time to time, the DDA offers training to its employees to enhance or acquire new skills for the performance of their jobs or future advancement. Training may include seminars, conferences, institutes, in-house training, and courses offered for credit at local colleges/universities.

The President may require employees to participate in appropriate training from time to time. Employees may also request that they be allowed to participate in appropriate training. Work load, training topic and appropriateness to job duties, budget constraints, cost of training, and other factors will be considered by the President in determining if requested training will be approved.

Time Spent in Training. Time spent by nonexempt employees attending mandatory training will be considered work time and employees will be compensated. Attendance at training, lectures, meetings, etc., will not be counted as working time if:

- (A) Attendance is voluntary, or;
- (B) The President did not approve the training, prior to the employee's attendance;

Prior Authorization. All requests for outside training must be approved in advance by the President.

2.8 PURCHASING PROCEDURES

When an employee's position requires spending DDA funds or incurring any reimbursable personal expenses, that individual must use good judgment on the DDA's behalf to ensure that good value is received for each expenditure. DDA funds and all assets are for DDA purposes only and are not for personal benefit. For example, this includes but is not limited to the personal use of the DDA's assets such as equipment and computers.

The Vice-President of Operations will process purchasing of supplies. All purchases not authorized in the budget must be approved by the President.

All checks over \$1,500 require two signatures. The President and the DDA Board of Directors are the only authorized signatories for all DDA accounts.

The DDA will use Denison Chamber members and business located in Denison whenever possible, but the item may be purchased, if available, from non-members if substantial savings can be achieved.

2.9 TRAVEL AND TRAVEL RELATED REIMBURSEMENT

Employees should use the most economical means of travel available when expending DDA funds.

It is DDA's policy to pay for, or reimburse all reasonable and necessary expenses incurred by an employee when traveling on DDA related business. Business expenses covered include both those incurred within the Denison area, which are not considered normal living expenses, as well as expenses resulting from business travel outside of the area.

The DDA reimburses for approved automobile mileage driven on company business at the current IRS rate per mile. Employees who receive mileage reimbursements are required to submit their mileage for reimbursement on a monthly basis on the approved Mileage/Expense Reimbursement Form as provided by the VP of Operations.

2.10 BACKGROUND CHECKS

The DDA retains the right to perform background checks on applicants and employees to the extent necessary to determine their eligibility for employment or ongoing employment, as the case may be. Background checks may include, but are not necessarily limited to, review of criminal conviction record; verification of educational degree, license, or certificate required for the position; review of driving record; drug testing; outstanding warrant check; and credit history. The extent of the background check will be consistent with the employee's position and duties. The DDA may also conduct periodic background checks on existing employees. As a condition of

employment or continued employment, applicants and employees are required to give DDA the necessary authorization to perform such checks.

2.11 PERSONAL APPEARANCE

The professional culture and image of our organization are maintained, in part, by the appearance that employees present to business contacts, residents, visitors, vendors and others. Employees represent a marketing tool for the DDA. Our appearance should reflect pride in our work and in ourselves.

Employees must, at all times, dress appropriately and present a clean and neat appearance while at work and while representing the DDA or conducting DDA business. Employees are expected to report to work well-groomed and dressed in professional business attire appropriate for the job. Clothing must be clean, pressed and in good repair. All employees are expected to practice common sense in rules of good taste and to dress in a manner that promotes a safe, productive, non-hostile work environment that discourages harassment of any kind.

Reasonable accommodation will be made for employees' religious beliefs and for disabilities whenever possible, consistent with the business necessity to present a professional appearance to the public.

Changes to the Dress Code. The President may approve changes to the dress code for special events, occasions, fund raising events, or as he/she deems necessary.

DDA also reserves the right to send home an employee whose attire is considered unacceptable for work. Under these circumstances, non-exempt employees will not be paid for work time missed and exempt employees will be required to make up the work time missed. Employees whose grooming or personal appearance violates this policy may be disciplined, up to and including termination of employment.

2.12 ELECTRONIC COMMUNICATIONS AND SYSTEMS ACCESS USE

The Denison Development Alliance provides computer networks, internet access, email, telephones, digital cameras, and voice mail communication systems for use by DDA employees in the performance of their job duties. These communication devices are referred to collectively in this policy as "electronic communications systems" or "systems."

These electronic communications systems are designed to support and enhance the communication, research and information capabilities of DDA employees and to encourage work related communication and sharing of information resources. DDA's electronic communications systems access must be used in a professional, responsible, efficient, ethical and legal manner.

This policy governs user behavior pertaining to access and usage of DDA's electronic communications systems and applies to all DDA employees, contractors, volunteers and other affiliates who use the DDA's electronic communications systems.

Acceptable Use of Electronic Communications Systems. Acceptable uses of DDA's electronic communications systems are limited to those activities that support reference, research, internal/external communication and conducting DDA business in conjunction with the user's job responsibilities. The DDA prohibits connections to sites, or forwarding of information, that contain materials that may be offensive to others including, but not limited to, sites or information containing sexually explicit material, racially offensive material, material that makes fun of others based on political or religious beliefs, gender, sexuality or cultural practices.

Employees shall understand that use of any DDA-provided, publicly-accessible computer network such as the internet and email is a privilege. Minimal personal use of the Internet, email or other electronic communications systems is allowed under this policy as long as such use does not impede job performance or the performance of DDA business. DDA is not responsible for personal communications sent on its electronic communications system, however any personal use of the DDA's electronic communication system may be subject to the Texas Open Records Act.

No Right of Privacy/Monitoring. Users of DDA electronic communications systems may not assume they are provided any degree of anonymity and employees have no right to privacy with regard to such systems. Personal passwords are not an assurance of confidentiality. To ensure proper use of its communications systems, DDA has the right to monitor all use, as needed.

Copyright Restriction. Authorization from the President and/or the VP of Operations is required before introducing any software into the DDA's computer system. Employees may not download entertainment software, games or any other software, either related or unrelated to their work, without permission of the President and/or the VP of Operations. Any software or other material, including music, downloaded into a DDA computer may be used only as consistent with the licenses and copyrights of the vendor, author or owner of the material.

2.13 WIRELESS COMMUNICATIONS POLICY

It is the policy of the Denison Development Alliance to provide wireless communication devices in a manner most cost effective to the DDA to designated employees in order to improve productivity.

Decisions regarding the use of DDA wireless communication devices, which are not explicitly stated herein shall be left to the discretion of the President.

Privacy. The Denison Development Alliance maintains the right of access and the right to disclose any and all messages communicated through electronic means when DDA owned equipment is used. Regardless of the intent of the message (business or personal), an employee has no right to privacy, or to the expectation of privacy concerning the content of any message or the intended destination of any message on DDA owned equipment.

If an employee uses a personal phone for DDA related business, that phone may be subject to search and disclosure under the Open Records Act of the State of Texas. The DDA therefore discourages personal cell phone use for DDA related business.

Disclosure of Information. The DDA will disclose the contents of retrievable wireless communications messages, upon receipt of a valid court order or legal request, including Public Information (open records) requests. The DDA may disclose the contents of retrievable wireless communication messages if the information will assist in official internal or criminal investigations.

2.14 DDA PROPERTY AND EQUIPMENT USE

General Rules for Property/Equipment Issuance and Use. The DDA shall provide employees with adequate tools, equipment, and facilities for the jobs being performed. The DDA also requires all employees to observe safe work practices and lawful, careful and courteous operation of vehicles and equipment. Employees are responsible for items formally issued to them by the DDA, as well as for items otherwise in their possession or control or used by them in the performance of their duties. Employees must notify the President and/or the VP of Operations immediately if any vehicle, equipment, machine, tool, etc. appears to be damaged or defective, or is in need of repair.

Personal Use Prohibited. DDA property, materials, supplies, tools, or equipment may not be removed from the premises or used for personal business without prior written approval by the President and/or VP of Operations.

Tobacco Use Prohibited. The use of all tobacco products (including smokeless) is prohibited on the DDA owned/leased premises.

Personal Property. All employees shall be solely responsible for their personal property at all times.

2.15 ACCIDENTS

Employees must immediately report to the President any accident, no matter how slight, which occurs during normal working hours, on company property or while engaged in business for the DDA. A record of the injury and statement from the employee as to the incident and its results will be placed on file in order to be covered by Workers' Compensation. Medical arrangements will be made if necessary.

2.16 CONFIDENTIALITY

Confidentiality is the cornerstone of the DDA's business. Employees must never discuss any information to which they are privy because of their employment here. It is advisable not to discuss any of the DDA's current or former business matters even casually. A casual comment, on what employees may consider a harmless subject, could have serious repercussions for the DDA.

The DDA is entrusted with many confidential matters and employees are required to keep such matters in strict confidence. Violation will result in immediate termination of the employee.

2.17 PERSONAL BUSINESS

If employees must handle personal business during office hours, they should make the appointments at an hour permitting the least amount of time away from the company, such as early in the morning, late in the afternoon, or just before or after lunch. See "Attendance."

2.18 PERSONAL CHARGES

Employees must pay for their postage, telephone charges, photocopies, or other company goods or services. Employees should give a check to cover those charges to the VP of Operations. If employees have not paid all charges within thirty days, the DDA will deduct the charges from their paycheck.

2.19 PERSONAL PROBLEMS

The DDA expects its employees to conduct themselves in a business-like manner. The DDA strives to maintain a healthy and pleasant working relationship among employees. The DDA encourages employees to discuss any problems, which may affect them, other DDA employees, or the DDA with the President.

2.20 LEAVING THE OFFICE

When a staff member is carrying out assigned duties outside of the office, they must make sure another member of the staff knows of the absence, the destination and the approximate time of return. Any absences for personal business must be approved by the President. The last employee to leave the office should secure all exit doors.

2.21 STAFF MEETINGS

All members of the staff will participate in a weekly staff meeting scheduled by the President. The purpose of these meetings is to permit staff members to recommend improvements, discuss problem areas, exchange ideas, and make a short report of current projects.

2.22 SOLICITATIONS

Persons who are not employees of the DDA will not be permitted to come upon or remain on the DDA premises for the purpose of soliciting, posting or distributing cards, literature, notices or other material of any kind without prior written approval of the President. The DDA does not purchase program advertising or tickets for social events. All solicitations shall be referred to the President.

2.23 PUBLICITY

All publicity having reference to the DDA and its activities, its officers, directors and personnel is to be approved by the President or the DDA Board. No information concerning the DDA will be

released by members of the staff to the media without prior approval. Discretion should be used at all times when processing information or handling paperwork.

2.24 PETTY CASH

This fund is to be used for miscellaneous expense items, i.e., minor office supplies, postage due, small payments to vendors, etc. Receipts are to be attached to Petty Cash Records. No cash is to be drawn without the President's or Vice President of Operations' knowledge.

2.25 PARKING

Public parking is provided in front of the DDA office. Parking elsewhere may subject the automobile owner to ticketing or towing. Reserved employee parking is located behind the DDA office. The Denison Chamber of Commerce also provides additional parking for DDA employees free of charge.

SECTION 3

EMPLOYMENT STATUS POLICIES

3.1 EQUAL EMPLOYMENT OPPORTUNITY

The Denison Development Alliance is firmly committed to providing employees with a work environment where all individuals are treated with respect and dignity. No officer or employee of the DDA shall discriminate in employment practices based on race, creed, color, religion, veteran status, national origin, sex, age, sexual orientation, or the existence of a physical or mental disability. This equal opportunity policy of the DDA applies to all areas of employment, including, but not limited to recruitment, hiring, job assignments, pay, training, promotions, privileges, and conditions of employment.

3.2 EMPLOYMENT CATEGORIES

It is the intent of the DDA to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility. Each employee is designated as either nonexempt or exempt from federal and state wage and hour laws. Employees are informed of their status as exempt or nonexempt at the time of their initial employment, or subsequently, if their classification changes for any reason. The President and VP of Operations will receive written notification of any change in an employee's status as exempt or nonexempt.

Nonexempt Employees. Nonexempt employees are subject to the overtime provisions of the Fair Labor Standards Act. Nonexempt employees are entitled to overtime pay for all hours actually worked in excess of 40 in a 7- day work week, under the specific provisions of federal and state laws.

Exempt Employees. Exempt employees are those who are not covered by applicable wage and hour laws found in the Fair Labor Standards Act. Accordingly, exempt employees are not entitled to overtime compensation for work performed beyond 40 hours in a work week. Exempt employees are expected to put in the number of hours necessary to complete their assignments in a timely and quality basis.

In addition to the above categories, each employee will belong to one of the following employment categories:

Full-Time Employees. Full-time employees are employees who are not in a temporary or part-time status, and who are regularly scheduled to work 40 hours or more per week in a classified or unclassified position and receive DDA benefits as approved by the DDA Board of Directors, and in accordance with the DDA Employee Handbook subject to the terms, conditions, limitations, and waiting periods of each benefit program. Full-time employees are required to participate in the ICMA-RC 401(a) Defined Contribution Retirement Plan.

Part-Time Employees. Part-time employees are employees who are not assigned to a temporary status, and who are regularly scheduled to work less than 35 hours per week. Part-time employees are not entitled to benefits and do not accrue vacation or sick leave. If part-time employees are normally scheduled to work a holiday, they will receive holiday pay.

Temporary/Seasonal Employees. Temporary employees are employees whose employment is scheduled to last less than six months; who hold seasonal positions, even though the employment may last more than six months; hold a position which, by DDA policy and practice, is intended to give introductory work experience to a person preparing for entry into the work force; or are in a position scheduled to work 40 hours per week but on a temporary basis. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status unless and until notified of a change in writing by the President. While temporary employees who work directly for the DDA (as opposed to a temporary staffing agency) receive all legally mandated benefits (such as workers' compensation insurance coverage and Social Security), they are generally ineligible for DDA's other benefit programs. In addition, temporary employees have no right to appeal disciplinary action. Temporary employees who are placed with the DDA, but who are actually employed by a temporary staffing agency must look to the temporary staffing agency to determine what benefits they are provided. Such employees are not eligible for benefits from the DDA and are not eligible for participation in the ICMA-RC 401(a) Defined Contribution Retirement Plan.

Volunteers. Volunteers are not employed by the DDA in any capacity. Volunteers choose to donate their time and services for the benefit of the community without any expectation of compensation or benefits.

Use of Leave for New Hires An employee is eligible to use sick leave for qualifying illnesses or injuries, with the approval of the President.

Employees will be allowed time off for holidays, as scheduling permits and as approved by the Board of Directors.

3.3 SEPARATION

The Denison Development Alliance designates all employee separations as one of the following types:

Resignation. An employee who intends to resign is requested to notify in writing the President at least two weeks prior to the last day of work. Employees who fail to give a two week notice are typically not eligible for rehire. The President is responsible for immediately notifying the Board of Directors when he or she is notified of a resignation.

Retirement. An employee who intends to retire is requested to notify, in writing, the President 30 days prior to the date of retirement to ensure that all required paperwork is timely prepared and submitted.

Reductions in Force/Reorganization. An employee may be separated from DDA service when it is deemed necessary by reason of shortage of funds or work, the abolition of the position, or other material change in the duties of the organization.

Termination. DDA may terminate any employee for any reason and at any time, with or without cause. Any separation of employment that does not fall under one of the other defined categories in this policy will be considered a termination.

Reference Policy for Separated Individuals. In the absence of a signed release by the former employee, the DDA's policy is to provide neutral references for former employees, regardless of the reason for their departure. Neutral references consist of verification of hiring and termination dates, position held and salary. All inquiries concerning former employees shall be referred to the President and Vice President of Operations.

Death. If a DDA employee dies, his or her designated beneficiary or estate will be paid all earned pay and payable benefits.

3.4 REDUCTION IN FORCE

In circumstances where it becomes necessary to reduce the number of employees, such as budget constraints, elimination of certain responsibilities or for any other reason, every effort will be made to determine the positions to be eliminated in the most fair and equitable method possible. Consideration will be given to a number of job related variables, including specific duties performed, anticipated staffing levels, job performance and attendance, and longevity. If a reduction in force is necessary, the President will notify the affected employees if any severance will be provided and, if so, the amount of severance pay and benefits.

If an employee loses his position through no fault of his or her own, he or she may be eligible for consideration for another unfilled position for which he or she is qualified or he or she may be eligible for rehire at another date.

The Denison Development Alliance is an at-will employer which means the DDA maintains the right to terminate employment at any time, with or without notice, and with or without cause.

SECTION 4

BENEFITS

4.1 SUMMARY OF BENEFITS

In general, full-time employees as approved by the Board of Directors are eligible for DDA benefits. Part-time, temporary, and seasonal are not eligible for DDA benefits.

Benefit programs available to eligible employees include, but are not limited to the following:

- Paid Holidays
- Workers' Compensation
- ICMA-RC Retirement System
- Group Life, Long Term Disability, and Accident Insurance
- Group Medical Insurance
- Voluntary Dental Insurance
- Voluntary Vision Insurance
- Flexible Spending Plan
- Bereavement Leave
- Deferred Compensation
- Vacation/Sick Accruals

While the DDA pays the full cost of most of these benefits, some of the benefit programs require contributions from participating employees.

4.2 TIME OFF TO VOTE

The DDA encourages employees to fulfill their civic responsibilities by participating in elections. Generally, employees are able to find time to vote either before or after their regular work schedule. The DDA will grant up to one hour of paid time off to vote. If their balloting place is far away, more time may be granted. If employees furnish proof that they voted, this time will be paid time off.

In order to receive time off to vote, employees must request time off to vote from the President on the working day that precedes the Election Day. Advance notice is required so that the necessary time off can be scheduled at the beginning or end of the workday; whichever provides the least disruption to the normal work schedule.

4.3 HOLIDAYS

It is the policy of the DDA to permit full-time employees to enjoy a day off without loss of pay on holidays. However, any or all employees may be required to work on a holiday.

Scheduling of Holidays. Holidays occurring on Saturday normally will be observed on the preceding Friday and holidays occurring on Sunday will normally be observed on the following Monday.

Definition of Holiday Time. A holiday is a period of seven and a half (7.5) hours, paid at the employee's regular rate.

Official Holidays. The DDA observes the holidays listed below, plus one personal holiday. When a holiday falls on a Saturday or Sunday, the holiday will be observed on the day designated by the federal government (i.e., the Friday before or the Monday following.) Holiday leave does not carryover from year to year.

New Year's Day	January 1
Martin Luther King, Jr. Day	Third Monday in January
Good Friday	Friday before Easter
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving Day	Fourth Friday in November
Christmas Eve	December 24
Christmas Day	December 25
Personal Day	Floating – Credited on October 1 of each year

Temporary and Seasonal Employees. Temporary and seasonal employees are not eligible for holiday pay. Temporary and seasonal employees will be paid their regular hourly rates for a holiday only if required to work on the holiday.

Holiday Occurring During Sick Leave. A holiday that falls within an employee's sick leave period will be counted as holiday in lieu of a day of sick leave.

Holiday Occurring During Vacation Leave. A holiday that falls within an employee's vacation period will be counted as holiday in lieu of a day of vacation.

Holiday Occurring During Workers' Compensation Leave. An employee on worker's compensation leave will not receive holiday pay, unless otherwise allowed for in State statutes.

Separating Employees. Except in extraordinary situations, separating employees will not be allowed to use a holiday as their final day of employment. Exceptions must be scheduled and authorized in advance by the President.

Other Religious Holidays. Employees may request an approved absence to celebrate a religious holiday that is not a scheduled DDA holiday. If approved, the employee must charge the time to vacation, paid personal leave, accrued holiday leave or time off without pay.

4.4 WORKER'S COMPENSATION

Coverage. The Denison Development Alliance provides workers' compensation coverage for all employees. This insurance provides for medical expenses and partial compensation to employees injured on the job. The cost of such coverage is paid by the DDA and covers most injuries sustained on the job. Neither the DDA nor its workers' compensation insurance carrier will be liable for the payment of workers' compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by the DDA. Such injuries, however, may be covered under your personal medical insurance plan.

Report of Accidents and Injuries. All employees must comply with any initial reporting requirements established by the DDA. The President, in turn, will complete the DWC-1 form within 24 hours of the time and date of the incident. Thereafter, an employee on worker's compensation leave must report to the DDA on a weekly basis, or as otherwise directed by the President. An employee must immediately notify the DDA when released to return to work.

Filing Claims. All workers' compensation claims must be filed with the President and the VP of Operations.

Salary Continuation Benefits. Temporary, part-time, and seasonal employees are ineligible for salary continuation benefits and will only receive the benefits afforded to them under the Texas workers compensation system. When a full-time employee incurs an on-the-job injury or illness that is covered by the DDA's workers' compensation carrier and requires the employee to take workers' compensation leave, the employee is eligible for salary continuation benefits until sick and/or vacation in lieu of sick leave is exhausted. Employees receiving temporary income benefit payments may use a combination of sick and/or vacation in lieu of sick leave to receive a full pay check. While using accrued leave to receive a full pay check, accrual balances will be adjusted accordingly. To receive salary continuation benefits, the injured employee is required to exchange his/her workers' compensation temporary income benefit payments for the employee's regular pay checks.

Under no circumstances will an employee on workers' compensation leave receive paid benefits (e.g., workers' compensation, salary benefits, salary continuation benefits, disability insurance benefits, or paid leave time) in excess of the amount the employee would normally receive in base salary/wages (excluding overtime, shift differential, or any other type of extra compensation) if the employee was not injured and able to return to work.

Modified Duty. Every effort will be made to return injured employees to the workplace as soon as they are medically released. The President will coordinate the employee's return to work. Modified duty will be offered if a work assignment exists within the DDA which meets the abilities documented by the employee's attending physician or DDA physician; and a modified duty work assignment would enhance the recovery of an injured or ill employee and facilitate the employee's return to the regular duty work assignment held before the injury or illness. A modified duty work assignment may last until the time that the attending physician or DDA physician has set as the expected date of return to the employee's previous work assignment,

but not to exceed 90 days unless the President gives written approval for a longer period. As a condition of continuing in a modified duty work assignment, an employee must adhere to prescribed treatment and make reasonable efforts toward rehabilitation; accept progressively more demanding assignments as the employee's condition improves; and make visible progress in returning to full performance capability.

An employee's modified duty work assignment will be terminated immediately if:

- (A) the employee is found performing beyond the modified duty restrictions;
- (B) the work assignment is completed;
- (C) the employee performs unsatisfactorily in the position;
- (D) budgetary constraints do not allow continuation of the position; or
- (E) does not follow the prescribed treatment and/or follow up doctor appointments as required

An employee who does not agree or accept a bona fide offer of employment, including a modified duty work assignment that has been approved by his/her physician may be subject to disciplinary action (e.g., termination) and/or a reduction in income benefits, as allowed by the Texas Workers' Compensation Act. Medical certification will be required to support any leave that may meet the criteria under the Family Medical Leave Act (FMLA).

Use of Accrued Leave to Supplement Compensation Benefits. Employees who do not qualify for salary continuation benefits or who do not wish to be bound by the restrictions imposed for salary continuation benefits, may use any available paid leave time to supplement their worker's compensation salary benefits.

Temporary or Permanent Replacement. While an employee is unable to work due to an on the job or off the job injury, a temporary employee may be hired to replace the injured employee if it is deemed necessary by the President.

Regular duty is described as duty where the employee can perform all the essential functions of the position with no restrictions. After 90 calendar days from the original injury or date of leave the employee is still unable to return to regular duty, the employee may be placed on inactive status and a permanent replacement for the position may be made. If the injured employee reaches maximum medical improvement after 90 calendar days but before one calendar year, the DDA would consider the employee for employment in a capacity that the employee was qualified, should a position be available. After one calendar year from the original injury or date of leave, if the employee is unable to return to work, the employee will be terminated due to business necessity. FMLA leave will run concurrently as mandated by the federal Act. Any leave without pay must be approved by the President.

4.5 GROUP INSURANCE BENEFITS

Group Life/Voluntary Optional Life Insurance. The DDA presently provides group life and voluntary optional life insurance coverage for all full-time employees through the City of Denison. The DDA provides a Group Life amount at no cost to the employee. Voluntary Optional Life coverage is provided and can be purchased at the employee's expense. Part-time, temporary, and seasonal employees are not eligible for participation. Employee dependents may also be eligible for participation under the DDA's Voluntary Optional Life insurance plan. Voluntary Optional Life and Dependent Life insurance must be paid for by the employee through payroll deduction.

Group Health, Voluntary Dental and Vision Insurance. Full-time employees are presently provided group health insurance at no cost to the employee. Voluntary Dental and vision insurance are offered at the employee's expense. Part-time, temporary, and seasonal employees are not eligible for participation. Coverage begins the 1st of month following the date of hire. Employees may elect to cover their current spouse and/or dependent children under the DDA's group health, dental, and vision plans, provided the premiums are paid for by the employee through payroll deduction.

Supplemental Insurance. Eligible employees may elect to purchase life, accident, and cancer insurance for themselves or their dependents from a company, which has made arrangements with the DDA, through payroll deduction. Additional information may be obtained from the VP of Operations.

Additional Information. This is only a general description of available group insurance coverage. For additional information regarding the DDA's group insurance policies, you may contact the VP of Operations.

4.6 FLEXIBLE SPENDING PLAN

The flexible spending plan is authorized under Section 125 of the Internal Revenue Code and has been approved as an employee benefit by the DDA Board. Benefited employees may elect an annual amount, which will be deducted pro-rata on a pre-tax basis each payroll period, to pay for eligible health and child care expenses. Generally, qualifying health care expenses are those not reimbursable from any other source, which may include medical or dental insurance deductibles, co-payments and out-of-pocket costs.

Participation in the flexible spending plan is voluntary. Enrollment in the plan is allowed during the annual open enrollment period to become effective the following January 1. Unless the employee experiences a "qualifying event," participation in the plan will continue until December 31.

In compliance with the IRS regulations on flexible spending plans, eligible expenses must be incurred between January 1 and December 31 of the enrollment year. Employees are allowed a three month grace period, until March 31, to submit the receipts and request reimbursement.

Any balance remaining in the account at that time must be forfeited in accordance with federal regulations.

Please contact the VP of Operations for additional information.

4.7 TUITION REIMBURSEMENT

The Denison Development Alliance strongly believes that a well-educated workforce results in higher performance, better service and efficiency and increases professionalism throughout the organization. As such, the DDA offers a progressive tuition reimbursement program to encourage employees to pursue higher education and job specific certifications.

This program is subject to availability of funds, approval of the President and the business and operational needs of the Denison Development Alliance.

Eligibility. Full-time employees are eligible for tuition reimbursement for classes at any accredited college or university for which the employee earns a grade of “C” or better for undergraduate coursework or a grade of “B” or better for graduate coursework. Coursework must be part of a program that culminates in a degree or certificate being awarded. A degree plan must be submitted with the application for tuition reimbursement. Only coursework on the degree plan is eligible for reimbursement. The President must approve all tuition reimbursement plans as being beneficial to the DDA and applicable to the employee’s current position.

Textbook Reimbursement. Full-time employees enrolled in an approved tuition reimbursement plan shall receive a textbook reimbursement. Employees must submit a paid receipt in order to receive reimbursement.

Coursework Reimbursement. Upon submittal of satisfactory proof of completion for all coursework enrolled for the semester, full-time employees are eligible for tuition reimbursement as follows:

<u>Grade Received</u>	<u>Percentage Reimbursed</u>
A	100%
B	75%
C	50%
Pass/Fail	50%

Employees must submit a paid receipt in order to receive reimbursement.

Approval Required. Approval from the President is required prior to enrollment in a class for which tuition/textbook reimbursement will be requested. College hours received from colleges and universities will be recognized only if the institution is accredited by a national accrediting organization in the United States.

Part-time, temporary, and seasonal employees are not eligible for tuition reimbursement. Classes taken during any portion of the probationary period will not qualify for this benefit.

Tuition and reimbursement is not available for expenses already covered by other types of assistance or benefits, such as scholarships, tuition waivers, grants, or other programs.

4.8 RETIREMENT

The Denison Development Alliance provides employees with a 401(a) Defined Contribution Retirement Plan, through Axa Advisors, which provides retirement benefits to eligible employees. Participation in the program is a condition of employment for all benefited employees.

DDA's current 401(a) Defined Contribution Retirement Plan requires a contribution of 7% of the salary of each employee member to be deducted from each paycheck. DDA matches employee contributions at a rate of two to one. Axa Advisors sends employee members an annual statement of service credit and the account balance of employee contributions.

Changes to the employee's contribution rate, the DDA's contribution rate or other optional benefits may be authorized by the DDA Board of Directors, as long as such changes are within the guidelines established by Axa Advisors.

Employees may obtain more information about retirement benefits from the Bruce Malmed, with Axa Advisors, by telephone (972) 455-9157 and/or email Bruce.Malmed@axa-advisors.com. Employees may also meet with the VP of Operations or by visiting the Axa Advisors website at <https://us.axa.com/>.

Eligibility for Retirement. Employees are eligible to retire when they have five years of service credit and are at least 60 years of age, or they may retire at any age with twenty years of service credit.

Survivor Benefits. Should an employee die, his or her beneficiary or estate will receive all of the member contributions and interest in the employee's 401(a) Defined Contribution Retirement Plan.

Sick Leave Accrual. Upon retirement, an employee is eligible to receive payment for up to 720 hours of unused and accrued sick leave in addition to any other accrued paid leave they are normally eligible to receive upon separation of employment.

4.9 SOCIAL SECURITY

All employees of the DDA are covered under the Federal Insurance Contributions Act (FICA) in accordance with Federal law.

4.10 HEALTH PLANS

The Denison Development Alliance, through the City of Denison, currently participates with the Texas Municipal League Intergovernmental Employee Benefits Pool for our Group Health Benefits. We currently have two (2) different health plans that an employee may choose from. The DDA offers one of these plans at no expense to the employee. The employee may elect to

“buy up” to a plan that offers better deductibles and out of pocket amounts. The employee must pay for any dependent coverage’s if applicable.

4.11 EMPLOYEE ASSISTANCE PROGRAMS

The Denison Development Alliance, through the City of Denison, has adopted an Employee Assistance Program (EAP) for all employees and their dependents. The EAP benefit covers up to 6 confidential short-term counseling visits and is at no cost to employees and their families. The DDA’s EAP service provider partners offer unique experience and training in dealing with the full range of emotional, behavioral, and interpersonal difficulties that many individuals are facing today. Among the different types of problems covered under the program are stress, depression, anxiety, workplace difficulties, substance abuse, marital problems, family and parenting conflicts, child and adolescent issues, violence, and unhealthy lifestyles. The EAP can also provide assistance with, and referrals for, community resources, financial and legal issues, and child and elder care resources. For more information please contact the VP of Operations or the Employee Services Division at the City of Denison.

SECTION 5

COMPENSATION

5.1 EMPLOYEE COMPENSATION PLAN

Subject to approval by the DDA Board of Directors, the President will establish the compensation for all DDA employees. In establishing the compensation, consideration will be given to prevailing rates of pay among public and private employers; the duties, responsibilities and qualifications required for the position; and other relevant factors.

5.2 METHOD OF PAYMENT

Regular Payroll. Payroll is prepared semi-monthly and distributed via direct deposit. The pay day is the 1st and 15th of each month. If the pay day falls on a Saturday, employees will be paid the previous Friday. If the pay day falls on Sunday, the employees will be paid the following Monday.

Employees are responsible for ensuring that the VP of Operations has the most current information for direct deposit. Those employees who choose not to have a checking or savings account for direct deposit will receive a check on pay days.

First Paycheck. The employee will receive his or her first paycheck, full or partial, on the first regular payday which covers any time period in which the employee worked.

Final Paycheck. An employee who is separating employment with the DDA, will receive a final paycheck to include payment for all unused accrued vacation time. An employee who meets the definition of retirement will receive payment for up to 720 hours of unused accrued sick leave. The value of lost or damaged DDA property and all other lawful offsets will be deducted from the employee's final paycheck pursuant to the employee's written authorization.

The "last day worked" will be the last business day the employee actually worked and will not be a holiday, vacation, sick day or any other paid non-working day. If an employee resigns immediately following an extended illness or maternity leave, the "last day worked" will be the day the employee's physician determines the employee was able to return to work.

Wages in Lieu of Notice. At the DDA's discretion, employees who are terminated or laid off may be paid wages in lieu of notice instead of providing a two week resignation notice. If an employee voluntarily resigns his or her position and provides a two-week severance notice, the President may choose to offer wages in lieu of the severance notice. DDA Board of Directors and the President must approve all requests for wages in lieu of notice. When the reason for termination is a violation of DDA rules, regulations or policies, or the conviction of a criminal offense, no wages in lieu of notice will be authorized. In addition, no vacation or sick leave accruals will be paid out for these types of violations, unless authorized under a separate statute.

5.3 OVERTIME AND TIME MANAGEMENT

Overtime Compensation. Overtime compensation is paid to all non-exempt employees in accordance with federal and state wage and hour requirements. Overtime pay is calculated using an employee's regular rate of pay, which FLSA defines as all remuneration for employment paid to, or on behalf of, the employee. Employees who make less than \$47,476 a year will automatically become eligible for overtime pay under FLSA, even if they are salaried employees with management responsibilities.

Non-Exempt Employees. When the DDA's operating requirements or other needs cannot be met during regular working hours, non-exempt employees may be scheduled to work overtime, at the request of the President. When possible, advance notification of mandatory overtime assignments will be provided.

All non-exempt employees must receive the President's prior authorization before performing any overtime work. This means employees may not begin work prior to their scheduled work day and may not continue working beyond the end of their scheduled workday, without prior authorization from the appropriate supervisor.

Overtime pay for non-exempt employees is at the rate of one and one-half times the employee's regular hourly rate of pay for hours actually worked in excess of the employee's regular work week. (The DDA's work week begins at 8:30 a.m. on Monday and ends at 5:00 p.m. the following Friday.)

Exempt Employees. Exempt employees are not entitled to overtime compensation for work performed beyond 40 hours in a workweek.

Exempt employees are expected to work the hours necessary to complete their assignments with an acceptable level of quality in a timely manner. They must record all hours worked for each pay period.

5.4 VEHICLE ALLOWANCE

An employee may be given a monthly allowance for consistently using his or her own vehicle for DDA business, if the use is deemed necessary by the President. The amount of the allowance shall be determined by the President and DDA Board of Directors.

5.5 PAYROLL DEDUCTIONS

Payroll deductions are authorized for the following reasons:

- Income withholding taxes;
- Federal payroll tax deductions;
- Contributions to the ICMA-RC 401(a) Defined Contribution Retirement Plan;
- Contributions to a deferred compensation plan;

- Authorized medical insurance premiums;
- Authorized supplemental insurance premiums;
- Social Security contributions;
- United Way contributions;
- Association dues;
- Child support judgments and other court ordered payroll deductions; and
- IRS judgments

No other payroll deduction privileges are authorized at this time and no future payroll deduction privilege will be granted without approval of the President and/or VP of Operations, except as otherwise provided by law.

5.6 COMPENSATORY TIME IN LIEU OF OVERTIME PAY

At the DDA's option, a non-exempt employee may be given compensatory time off in lieu of monetary overtime pay. Compensatory time off is accrued at the rate of one and one-half (1 ½) hours comp time for each hour of overtime worked. Averaging of hours worked over workweeks is prohibited under the Fair Labor Standards Act (FLSA). The use of compensatory time off is subject to the approval of the President. The President may require the use of compensatory time in lieu of overtime pay to reduce potential payment obligations by the DDA at his or her discretion.

5.7 INTENT TO COMPLY WITH THE FAIR LABOR STANDARDS ACT

It is DDA's policy to comply with the salary basis requirements of the FLSA. Therefore, improper deductions from the salaries of exempt employees are prohibited. We want employees to be aware of this policy and that the company does not allow deductions that violate the FLSA.

If you believe an improper deduction has been made to your base salary, you should immediately report this information to the VP of Operations.

Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, you will be promptly reimbursed for any improper deduction made.

SECTION 6

ATTENDANCE AND WORK HOURS

6.1 REGULAR WORK HOURS

The regular workday normally begins at 8:30 a.m. and ends at 5:00 p.m. In times of disaster or emergency, working hours shall be determined by the President.

37.5 Hour Employees. Non-exempt employees of the DDA normally work 37.5 hours in a five-day work week, Monday - Friday. Exempt employees may be required to work in excess of 37.5 hours in certain weeks.

6.2 ADJUSTMENT TO WORK HOURS

In order to assure the continuity of DDA services, it may be necessary for the President to establish other operating hours. Work hours and work shifts must be arranged to provide continuous service to the public. Employees are expected to cooperate when asked to work overtime or a different schedule.

6.3 MEAL PERIODS

Full-time employees are provided a one hour meal break near the middle of the workday.

6.4 BREAKS

Full-time employees may take up to two fifteen minute, paid breaks each day, one during the first part of the work day and the other during the latter part of the work day.

6.5 ATTENDANCE AND PUNCTUALITY

Employees are expected to be at their workstations and ready to work at their scheduled start time. All non-exempt employees are required to record the number of hours worked each day.

As an essential function of each job, the DDA requires employees to be reliable and punctual in reporting to work. Absenteeism and tardiness are disruptive and make for a greater burden on the DDA and on co-workers to maintain a safe and productive work environment. Either absenteeism or tardiness may lead to disciplinary action, up to and including termination of employment.

In the rare instance when an employee cannot avoid being late to work or is unable to work as scheduled, the employee must personally notify the President and/or VP of Operations as soon as possible in advance of the anticipated tardiness or absence. The employee must disclose to the President and/or VP of Operations the reason for the absence or tardiness and the date and time of his/her anticipated arrival. For absences of a day or more the employee must personally

notify the President and/or VP of Operations on each day of his absence unless the President expressly waives this requirement.

In most instances, an employee who fails to properly notify the President in advance of an absence or tardy will be subject to disciplinary action up to and including termination of employment. An employee who fails to notify the President of an absence of three days or more may be presumed to have voluntarily resigned his/her employment.

Absences are recorded and are classified as one of the following types:

- **ARRANGED ABSENCES** -- Employees get permission from the President to take time off (preferably in advance). Examples: vacation, medical or dental appointment, funeral leave, religious observance, military duty, jury duty, or other important personal business, which cannot be delayed. These absences (with the following exceptions) will be charged against vacation days available. Military leave and jury duty are covered by these policies although employees do not need to use vacation for jury duty.
- **EXCUSED ABSENCES** -- Any reason recognized by the DDA as valid but not anticipated in advance. Examples: personal illness, unanticipated medical or dental appointment, or death in the immediate family. The DDA will charge excused absences for personal illness or accident, immediate family illness or death, first against any sick leave available and then against any vacation time accrued. The DDA will charge all other excused absences to accrued vacation. The DDA does not pay for any other excused absences.
- **UNEXCUSED ABSENCES** -- Any absence, for whatever reason, whether the company has been notified in advance or not that the DDA does not accept as valid. The DDA does not pay for unexcused absences. Excessive unexcused absences will result in termination.

Employees are responsible for providing accurate and timely records of their attendance, and for the accuracy of all records of their hours worked, time off, reasons for time off and eligibility for sick leave or vacations.

The DDA expects employees to report to work on time and to work all of their scheduled hours. If employees are unable to report to work, they must notify their supervisor by 8:30 A.M. Employees should state why they will be absent or late, when they expect to return to work, and where they can be reached. If employees are unable to call themselves, they must have someone call for them. An absence will not be considered as excused unless they notify the DDA in a timely manner and the President approves the reason for the absence.

6.6 VACATION LEAVE

Vacation leave is an earned benefit intended to provide employees with paid time away from the work environment to pursue activities that will promote the well-being of the individual. Vacation leave may also be used for purposes of attending to personal business, extension of sick leave when accrued sick leave is exhausted, and inability to travel to work because of inclement weather or for other purposes.

Scheduling Vacation Leave. Employees are expected to submit their preferred vacation schedule to the President as far in advance as possible to avoid any scheduling problems that may develop. Whenever possible, vacation time will be granted at the convenience of the employee; however, the President must be certain that vacations do not interfere with the normal functions and activities of operations.

Vacation leave may be taken in full days or in 1 hour increments of time.

Vacation Accrual Rate. All full-time employees accrue vacation leave for each complete payroll period in which at least one hour was actual work time. Vacation hours will not accrue in any pay period during which an employee is not getting paid due to insufficient leave accrual balances.

Accrual rates are based on length of service with the DDA and number of hours worked in a regular workweek. Please see the chart below for accrual rates by years of service.

Length of Service	Days per Year	Accrual Per Month	Max Carryover
First Four Years	10 days (80 hrs)	6.68 hours	240 hours
Five to Nine Years	13 days (104 hrs)	8.68 hours	240 hours
Ten to Fourteen Years	15 days (120 hrs)	10.0 hours	240 hours
Fifteen to Nineteen Years	18 days (144 hrs)	12.0 hours	240 hours
Twenty Years or More	20 days (160 hrs)	13.34 hours	240 hours

Maximum Vacation Accrual. The maximum annual; carryover of vacation leave is 240 hours for employees. Annual leave begins to accrue the first day of employment and ends the last day of employment.

Compensation for Vacation leave. Vacation is paid at the employee’s regular rate of pay at the time vacation leave is used and is paid only for hours the employee would ordinarily have worked.

Upon an employee’s resignation, termination, separation, or retirement, an employee shall be paid for accrued unused vacation leave at the rate of pay the employee was receiving at the time of separation up to their maximum accrual limitation, less any legal and authorized deductions. Upon the death of an employee, payment for accrued unused vacation leave shall be made to the employee’s beneficiary. Pay shall be at the employee’s last regular rate of pay.

Temporary, and Seasonal Employees. Temporary and Seasonal employees are not eligible to accrue vacation leave.

Holidays During Vacation. If a holiday falls during an employee’s scheduled vacation, the time will be considered holiday leave and not vacation leave.

6.7 SICK LEAVE

Sick leave is paid time away from work due to an employee’s bona fide illness or injury that prevents him/her from working, for visits to the doctor or dentist, or to care for certain family

members who are ill or injured. Employees who are unable to work due to illness or injury or other situations covered by this policy must immediately notify the President.

Sick leave must be taken in increments of 1/2 hour.

Accrual Rate and Eligibility. All regular full-time employees accrue 8.0 hours of sick leave each month (12 days per year).

Sick leave allowance begins to accrue the first day of employment and ends the last day of employment. Sick leave may not be taken in advance and shall not be used for annual leave, however, if an absence because of illness or injury extends beyond the sick leave accrued, such additional time may be charged to accrued annual leave. If all accrued sick and annual leave is exhausted and the employee does not return to duty, the employee may be granted leave without pay or terminated at the employer's discretion.

Maximum Accrual. Sick leave earned and not used shall accumulate with a maximum of 90 workdays per employee and may be carried over from year to year.

Payment of Sick Leave upon Retirement. All employees who meet the definition of retirement at time of separation will receive a lump sum payment of accrued, but unused sick leave not to exceed 720 hours.

Authorized Use of Sick Leave. Accrued sick leave may be used for absences due to the employee's bona fide personal illness, accident, injury that prevents him or her from working, or birth of a child (if the employee physically gave birth; otherwise use of sick leave for the birth of a child falls under the section below.) Sick leave may also be used by an employee for his or her own scheduled doctor and dentist appointments.

Authorized Use of Sick for Employee's Immediate Family. Sick leave may also be used for absences when the employee is needed to care for a member of his or her immediate family who is ill or injured and requires the employee's personal care or presence. An employee can use up to three days (see Accrual Rate and Eligibility above for definition of work day) for each such dependent illness or injury. A medical certification will be required to support the need for additional sick leave use which meets the criteria under the Family Medical Leave Act (FMLA).

In the event of a life-threatening illness or injury of an employee's family member who does not meet the definition of "immediate family," the President may allow the employee to use up to three days of accrued sick leave in a twelve month period.

Failure to Report Absence/Abuse of Sick Leave. The President may closely monitor use of sick leave. It is anticipated that employees using paid DDA sick time for their own illness/injury or that of a family member will use their sick leave time to recuperate or care for their family member. Trips to the doctor or hospital stays which take the employee away from the home are acceptable, but other personal pursuits during paid sick leave will be considered an abuse of this policy. Abuse of sick leave, including use of sick leave for anything other than an illness, injury, or doctor/dentist, appointment as provided for in this policy, may result in immediate disciplinary action, up to and including termination of employment, and may also render the employee

ineligible for paid sick leave benefits. Maternity and paternity are covered under sick leave benefits for qualifying FMLA purposes. Similarly, employees who fail to timely report an absence or tardiness due to illness, injury, or doctor/dentist appointment may be disqualified from using sick leave for their absence.

Other Employment During Sick Leave. Employees on sick leave, whether paid or unpaid, may not work a second job, including self-employment or participate in volunteer work, during the period of leave. Exceptions to this policy may be obtained in writing from the President. See Outside and Self-Employment Policy.

Family and Medical Leave Act. Any absence that qualifies for both sick leave and leave under the Family and Medical Leave Act will follow the guidelines set out in this policy and will typically run concurrently, as both FMLA leave and sick leave.

6.8 FAMILY AND MEDICAL LEAVE ACT (FMLA)

The DDA provides leave to eligible employees in accordance with the Family and Medical Leave Act (FMLA). Under the FMLA, eligible employees may take up to 12 weeks of unpaid leave each year for specified family and medical reasons.

Definition of Serious Health Condition. For purposes of this policy, a "serious health condition" means an illness, injury, impairment, or physical or mental condition that involves any period of incapacity or treatment connected with inpatient care (i.e., an overnight stay) in a hospital, hospice, or residential medical care facility, and any period of incapacity or subsequent treatment in connection with such inpatient care.

Employees shall contact the President if they have questions concerning the definition of a "serious health condition."

Employee Eligibility. To be eligible for FMLA leave, an employee must have worked for the DDA:

- for at least 12 months, and
- for at least 1,250 hours during the 12 months preceding the start of the leave.

Leave Entitlement. Eligible employees may take FMLA leave for one or more of the following reasons:

- for the birth or placement of a child for adoption or foster care;
- to care for a spouse, child, or parent with a serious health condition; or
- when the employee is unable to perform the functions of his/her position because of his/her own serious health condition.

To determine eligibility for leave, the DDA uses a rolling 12-month period measured backward from the date of any FMLA leave.

Employee's Notice Requirements. In order for the DDA to accommodate an employee's workload during his or her absence, an employee seeking to take FMLA leave must provide the

President with at least 30 days' advance notice, when the leave is foreseeable. If the leave is not foreseeable, an employee is expected to provide the President with as much advance notice as possible. In the event of medical leave for planned medical treatment for the employee or for the employee's spouse, child or parent, the employee is required to make a reasonable effort to schedule the treatment so as not to unduly disrupt DDA's operations.

Medical Certification and Other Required Documentation. An employee must provide the DDA with a medical certification supporting the need for FMLA leave due to a serious health condition affecting the employee or the employee's spouse, child or parent. The certification must set forth the beginning and expected ending dates of the leave. In the case of intermittent leave, the certification must also provide the dates and duration of the treatments necessitating the intermittent leave.

An employee must also provide periodic reports during FMLA leave as to his status and intent to return to work, and may be required to submit a "fitness-for-duty" certification before the employee can return to work. In some cases the DDA may require a second or third medical opinion (at the DDA's expense) and periodic recertification of the serious health condition, and when the leave is a result of the employee's own serious health condition, a fitness for duty report to return to work. If an employee fails to provide any required certification within 15 days, the DDA may deny leave until the certification is provided. If an employee elects to take FMLA leave in order to care for a family member, the employee may be required to provide reasonable documentation confirming a family relationship.

Intermittent Leave. An eligible employee may take FMLA leave on an intermittent or reduced schedule basis only if "medically necessary," or otherwise approved by the President. When intermittent leave is needed, the employee must try to schedule the leave so as not to unduly disrupt DDA's operations.

FMLA Leave Runs Concurrently With Other Types of Leave. FMLA leave is unpaid leave (although employees may be eligible for disability payments and/or workers' compensation benefits under those insurance plans). If FMLA leave is requested because of birth, adoption, or foster care placement of a child then any accrued vacation leave, and/or holiday leave first will be substituted for unpaid FMLA leave. If FMLA leave is requested because of an employee's own serious health condition, or to care for a covered relation with a serious health condition, any accrued sick leave first will be substituted for any unpaid FMLA leave. Following the exhaustion of all accrued sick leave, accrued vacation leave and holiday leave will be substituted for unpaid FMLA leave. The substitution of paid leave time runs concurrently with the unpaid FMLA leave. Further, in no case can the substitution of paid leave time for unpaid leave time result in an employee's receipt of more than 100 percent of his/her salary. FMLA leave runs concurrently with any time off work covered by workers' compensation and with other types of leave, i.e. vacation leave.

Benefits During FMLA Leave. During any period of FMLA leave, the DDA will continue to pay its portion of any group health insurance coverage for the employee on the same terms as if the employee had continued to work. Where applicable, the employee must timely pay his share of health insurance premiums while on FMLA leave. The DDA may recover premiums it paid to

maintain health coverage for an employee who fails to return to work from FMLA leave, unless the employee is unable to return due to a serious health condition or something else beyond the employee's control. Medical certification is required under such circumstances.

The employee's use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of the employee's leave, nor will seniority be affected. However, benefit accruals, such as vacation and sick leave, will be suspended during any unpaid leave.

Job Restoration After FMLA Leave. Upon timely return from FMLA leave, an employee will be restored to his original job or to an equivalent job with equivalent pay, benefits, and other terms and conditions.

Leave Due To Birth/Adoption. FMLA leave for birth or placement for adoption or foster care must conclude within 12 months of the birth or placement.

FLSA Considerations. Salaried executive, administrative, professional and other employees of the DDA who meet the Fair Labor Standards Act (FLSA) criteria for exemption from overtime do not lose their FLSA-exempt status by using any unpaid FMLA leave.

Other Employment. Under no circumstances may an employee on FMLA leave, sick leave, disability leave, or workers' compensation leave engage in outside employment, as defined in the Outside and Self-Employment Policy, unless expressly authorized in writing in advance by the President.

Military Family Leave. The DDA provides leave to eligible employees in accordance with FMLA regulations as related to employees who have family members in military service. Please see the Military Family Leave policy.

Other Provisions. The FMLA does not affect any federal or state law prohibiting discrimination. This policy is intended to explain benefits available to eligible employees under the FMLA. It is not intended to create any rights to leave beyond those created by the FMLA. If additional information is needed on the FMLA, please contact the VP of Operations. When an employee gives notice of the need for FMLA leave, the employee will be given additional information as to his rights and responsibilities under the FMLA.

6.9 MILITARY LEAVE AND DIFFERENTIAL MILITARY PAY

The Denison Development Alliance shall comply with all regulations and requirements of the Uniformed Services Employment and Reemployment Rights Act (USERRA), as well as any other state and federal laws relating to employees in reserve or active military service, and does not discriminate against employees who serve in the military. This policy covers employees who serve in the uniformed services in a voluntary or involuntary basis, including active duty, active duty for training, initial active duty for training, inactive duty training and full-time National Guard duty. The DDA shall notify employees of their rights under USERRA by displaying the notice entitled "Your Rights Under USERRA."

6.10 MILITARY FAMILY LEAVE

The DDA provides leave to eligible employees in accordance with the family and Medical Leave Act (FMLA) as it relates to employees who have family members in military service.

Employee Eligibility. To be eligible for Military Family Leave, an employee must fall into one of the protected categories, as identified below:

- (A) **Active Duty Family Leave.** Employees who have a spouse, parent, child or next of kin that is on or has been called to active duty or who has been notified of an impending call to active duty status in support of a contingency operation may take up to 12 weeks of leave in one 12 month period, in combination with regular FMLA leave.
- (B) **Injured Service Member Family Leave.** Employees who are the spouse, parent, child or next of kin of a service member who incurred a serious injury or illness on active duty in the Armed Forces may take up to 26 weeks of leave to care for the injured service member in one 12 month period, in combination with regular FMLA leave.

6.11 JURY DUTY

The Denison Development Alliance provides paid leave to full-time employees who are required to serve on jury duty or are requested by the DDA to testify as a witness in a DDA related civil, criminal, legislative or administrative proceeding. Jury duty leave is paid at the employee's base rate at the time of the leave and does not include overtime or any other forms of compensation.

The employee must provide documentation of the requirement for jury duty, if requested. If employees should be called for jury duty or summoned as a witness, they should advise the President immediately.

Employees on jury duty should keep up with their job responsibilities, if possible. An employee who is on jury duty typically must report for their regular DDA duties for the remainder of the day upon completion of court or jury service, or request approval for use of other available paid time off. Any payment for jury duty received by the employee may be retained by the employee.

Court appearances for testimony, investigation and court preparation as a result of official duties as a DDA employee are compensated as actual hours worked and are not classified as paid leave.

In all other cases, involving court appearances for testimony, investigations, court preparation and any other non-employment related reason, employees are required to use accrued vacation or holiday leave. If a non-exempt employee has no accrued vacation or holiday leave, the employee's time off for these non-employment related reasons will be considered a leave without pay and exempt employees may be required to make up the work time lost. For unusual or extended jury or subpoena circumstances that are not covered herein, the President may authorize an alternative leave provided in these policies that doesn't adversely impact the employee.

6.12 BEREAVEMENT LEAVE

In case of death to an employee's spouse, mother, father, daughter, son, brother, or sister an employee shall be granted leave of absence with pay for days occurring in the first five (5) scheduled work days (37.5 hours) following date of death. This includes "step" relations, legal guardians or wards, and primary caregivers for these relationships.

In case of death to an employee's grandparent, grandchild, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, aunt, uncle, niece, or nephew an employee shall be granted leave of absence with pay for days occurring in the first three (3) scheduled work days (24 hours) immediately following date of death. This includes "step" relations.

Employees may attend co-worker funerals with pay.

In all cases of bereavement leave, the President may require evidence of death at his or her discretion. Any additional time off for bereavement leave may be granted by use of sick leave for extenuating circumstances, vacation leave, or leave without pay at the discretion of the President. The President may extend the use of bereavement leave at times other than immediately following the date of death at his or her discretion if the circumstances warrant it.

6.13 ADMINISTRATIVE LEAVE

The DDA may grant Administrative Leave with pay to an employee, as a matter of discretion by the President when no other paid leave category is available or applicable and leave without pay would not be appropriate. This discretion includes granting Administrative Leave with pay when a disciplinary decision is pending. The DDA may also authorize Administrative Leave without pay.

The authorization of Administrative Leave to an employee will be put in writing and forwarded to the VP of Operations for proper payroll processing and placement in the employee's personnel file.

6.14 UNPAID LEAVE OF ABSENCE

In extraordinary circumstances, the DDA may grant employees an unpaid leave of absence (LOA). All requests for LOA must be submitted in writing and must fully explain the reasons for the request. Whenever possible, an employee must request leaves of absence at least thirty days in advance of the beginning date of LOA.

A LOA of up to or beyond 30 days may be authorized by the President. LOA is authorized in 30 day increments and may be extended at the request of the employee and with approval by the President for a period not to exceed 180 total days away from work.

This policy will be administered consistently with the DDA's obligations under the Americans with Disabilities Act. A LOA will not be authorized unless there is a reasonable expectation that the employee will return to employment with the DDA at the end of the approved leave period and the LOA will not create an undue hardship on the DDA.

Use of All Other Available Leave. All of the employee's accrued vacation and holiday leave and/or leave authorized under FMLA must be used prior to authorizing a LOA. If the LOA is due to illness or injury, all sick leave must also be used prior to authorizing a LOA.

Criteria. Factors considered by the DDA in granting a LOA include the reason for the leave, departmental work requirements, employee's length of service with the DDA, work performance and disciplinary history.

Reasons for LOA. A LOA may be considered in the following circumstances:

- Recovery from extended illness, injury or temporary disability
- Extended care for immediate family members
- Educational purposes when successful completion will contribute to the best interests of the DDA
- Public service assignment
- Personnel exchange programs which emphasize intergovernmental relations

Documentation. The need for a medical LOA must be supported by documentation acceptable to the DDA, including but not limited to a doctor's explanation of why the employee cannot perform his duties, when he is expected to return to work and periodic updates regarding the employee's ability or inability to return to work.

The employee on leave will contact the President at least weekly to report on his condition or status. Before returning to work from a medical LOA, the employee will be required to submit documentation from his or her doctor stating that the employee is able to resume his normal job duties.

Other Employment During Leave. Under no circumstances may an employee on an authorized LOA without pay work another job, whether for pay, as a volunteer or as self-employment, unless expressly authorized in writing by the President.

Reinstatement. Employees returning from an authorized LOA will be reinstated to their same position or one of similar pay and status, provided DDA's circumstances have not changed to the extent that it would be unreasonable to provide reinstatement or causes an undue hardship. If the same job or one of similar pay and status is not available, reinstatement may, at the DDA's discretion, be deferred until a position is available. Usually an employee who fails to return to work at the conclusion of an approved LOA will be considered to have voluntarily resigned his employment with the DDA.

Benefits and Premium Payments. All LOA's are unpaid. Vacation, sick leave, holiday pay and other benefits do not accrue during an unpaid LOA. Any benefit continuation during a LOA must be approved in advance by the President.

Any insurance premiums, or partial premiums, normally paid on behalf of the employee by the DDA will not be paid by the DDA beginning the first day of the month following the starting date of a LOA. Employees who have group health or any other kind of insurance through the DDA

continue to be responsible for paying their portion of the premiums while on a LOA. An employee's failure to pay his or the DDA's portion of insurance premiums during a LOA may result in termination of coverage.

Revocation. The President may revoke authorized leave without pay at any time. Failure to return to work after the expiration of an authorized LOA or failure to provide required medical status reports, physician's statements or to contact the DDA per the regular schedule will likely result in revocation of the LOA and/or disciplinary action up to and including termination.

SECTION 7

STANDARDS OF CONDUCT

7.1 EMPLOYEE CONDUCT

Every employee is expected to satisfactorily perform the job duties assigned to his position, to maintain a high level of personal conduct on the job, to render courteous and efficient service to the public and to other employees, to be mindful of safety practices, and to exercise care in the use of DDA property.

To ensure orderly and productive operations and provide the best possible work environment, the DDA requires employees to follow rules of conduct that will protect the interests and safety of the DDA, the public, and employees.

Prohibited Activities. The DDA expects its employees to conduct themselves in a businesslike manner. Disciplinary action will be imposed for violations of DDA policies and procedures, codes of conduct, rules and regulations, either written or verbal. Disciplinary action may also be imposed for acts which are not specifically addressed in policies and procedures, codes of conduct, and rules and regulations, but which may adversely affect the DDA or put the health and safety of fellow employees or public at risk.

7.2 EMPLOYEE REVIEWS

The DDA normally gives employees performance evaluations in conjunction with any consideration of salary adjustments.

If the DDA identifies problems or determines an employee's performance is not satisfactory, the DDA may give employees a review or counseling session at that time. If it becomes necessary to conduct a counseling session with employees regarding job performance or conduct detrimental to performance of the job, they will be presented with a written acknowledgment. The DDA will furnish a copy. Employees must sign the DDA's copy, acknowledging receipt. The DDA will give employees an opportunity to note in writing any comments regarding the issues under discussion.

The DDA may terminate anyone's employment at any time, with or without prior notice and with or without cause.

7.3 EMPLOYEE DISCIPLINE

In certain instances, the DDA will use a progressive disciplinary system. The DDA is not obligated to use all of the progressive disciplinary steps available and may begin the disciplinary process at any level, up to and including immediate discharge, depending upon the severity of the conduct, the employee's prior work performance and disciplinary history, the employee's length of

service, and any mitigating circumstances. Depending on the circumstances of each individual case, disciplinary action may consist of one or more of the following:

- Counseling Session
- Documented Oral Warning
- Written Reprimand
- Probation
- Suspension Without Pay
- Demotion
- Discharge

Appeal Rights. Where a disciplinary action involves a suspension of one day or more, demotion and/or termination, the employee will normally be given an opportunity to respond to the allegations prior to disciplinary action being taken. Please see Grievance and Appeal Policy.

7.4 GRIEVANCE AND APPEAL POLICY

Any employee who has a complaint concerning disciplinary action, termination, demotion, denial of promotion or merit increase, layoff, or discrimination based on a category- i.e., race, age disability- recognized by Civil Rights Laws has the right to file a grievance according to procedures outlined in this policy.

It shall be the policy of the DDA to attempt to prevent the occurrence of grievances and to deal promptly with those, which do occur. Whenever an employee has a complaint or grievance, the employee should discuss the matter informally with the President and attempt to resolve the matter in an equitable fashion.

If a solution cannot be reached, the employee may present a formal grievance, in writing, to the President within five (5) business days of said occurrence. The President and the Board of Directors shall, within five (5) business days of the formal complaint, provide a response in writing to the employee involved. If an extension of the time limit becomes necessary for the representatives of the DDA, all parties will be notified.

No employee will be discriminated against, harassed, intimidated, or suffer any reprisal as a result of filing a grievance or participating in the investigation of a grievance. If an employee feels that he/she is being subjected to any of the above, that employee has the right to appeal directly to the DDA Chairman.

7.5 SEXUAL AND UNLAWFUL HARASSMENT

The DDA is an equal opportunity employer. Employment discrimination on the basis of race, religion, color, sex, national origin, age, disability, marital status, veteran status, citizenship, or any other characteristic protected by law, is prohibited. All DDA employees are entitled to a workplace free of unlawful harassment by management, supervisors, co-workers, citizens and vendors. DDA employees are also prohibited from harassing citizens, vendors and all other third parties.

Sexual Harassment. One form of unlawful discrimination is sexual harassment. Unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature constitute sexual harassment when:

Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, or

- Submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual, or
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.

Sexual harassment may include a range of subtle and not so subtle behaviors and may involve individuals of the same or different sex. Conduct prohibited by this policy includes, but is not limited to: sexual advances; requests for sexual favors; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual's body; sexual prowess, sexual preference or sexual deficiencies; leering, whistling or touching; insulting or obscene comments or gestures; display in the workplace of sexually suggestive objects or pictures; and other physical, verbal or visual conduct of a sexual nature.

Other Prohibited Harassment. In addition to the DDA's prohibition against sexual harassment, harassment on the basis of any other protected characteristic is also prohibited. This means that verbal or physical conduct that singles out, denigrates or shows hostility or aversion toward someone because of race, religion, color, national origin, age, disability, veteran status, citizenship or any other characteristic protected by law is also prohibited.

Prohibited conduct includes, but is not limited to: epithets, slurs and negative stereotyping; threatening, intimidating or hostile conduct; denigrating jokes and comments; and writings or pictures that single out, denigrate or show hostility or aversion toward someone on the basis of a protected characteristic. Conduct, comments or innuendoes that may be perceived by others as offensive are wholly inappropriate and are strictly prohibited. This policy also prohibits sending, showing, sharing or distributing in any form, inappropriate jokes, pictures, comics, stories, etc., including, but not limited to via facsimile, e-mail and/or the Internet. Harassment of any nature, when based on race, religion, color, sex, national origin, age or disability, will not be tolerated. This policy applies to DDA employees, citizens, vendors and other visitors to the workplace.

Mandatory Reporting. The DDA requires that employees report all perceived incidents of harassment, regardless of the offender's identity or position. Any employee who observes or otherwise learns of possible harassment in the workplace or who feels that he or she has been subjected to conduct prohibited by this policy must report it immediately to:

- The President; or
- DDA Board of Directors.

In addition, the DDA encourages employees who believe they are being subjected to conduct prohibited by this policy and who feel comfortable doing so, to promptly advise the offender that his behavior is unwelcome and request that it be discontinued. Often this action will resolve the problem.

Investigation. All reports of prohibited conduct will be investigated promptly by the President and DDA Board Members in as confidential a manner as possible. The investigation may include individual interviews with the parties involved and, when necessary, with individuals who may have other relevant knowledge. All employees are required to cooperate with the investigation.

Retaliation Prohibited. Retaliation against employees who make a good faith charge or report of prohibited conduct or who assist in a complaint investigation is prohibited. Acts of retaliation must be reported immediately as set out above.

Responsive Action. Misconduct constituting harassment or retaliation will be dealt with appropriately. Discipline, up to and including termination, will be imposed upon any employee who is found to have engaged in conduct prohibited by this policy. Likewise, disciplinary action will be imposed in situations where claims of prohibited conduct were fabricated or exaggerated.

7.6 SOCIAL MEDIA POLICY

Access to the Internet through the DDA's electronic communications systems is a privilege and carries responsibilities reflecting responsible and ethical use. The DDA may monitor access to the Internet, blogs, and/or chat rooms to ensure compliance with internal policies, support the performance of internal investigations, and assist management of information systems. Further, the DDA expects all employees to follow ethical guidelines when posting information on the Internet, regardless if done before, during or after work hours.

This Social Media Policy should be read and interpreted in conjunction with the DDA's policies including, but not limited to, policies prohibiting harassment, discrimination, offensive conduct or inappropriate behavior. Violations of the DDA's Social Media Policy may lead to disciplinary action, up to and including termination of employment.

The Denison Development Alliance, in an ongoing effort to maintain effective communication to and with residents and other audiences, uses Social Networking Outlets as a way to deliver messages directly to users and to encourage resident involvement, interaction and feedback. This policy sets guidelines for use of Social Networking Outlets in an effort to ensure timely, accurate and appropriate use of those outlets to deliver clear, concise and consistent messages on behalf of the DDA.

Application.

- (A) This policy applies to the use of Social Networking Outlets as described below. The lack of explicit reference to a specific site does not limit the extent of the application of this policy.
1. Networking sites (such as LinkedIn and Facebook) that primarily encourage static-posting communication between users with individual profiles.
 2. Bulletin sites (such as Twitter and Nixle) that primarily encourage active-posting communication between users and defined user groups.
 3. Multimedia sites (such as YouTube, Flickr, PhotoBucket and Picasa) that provide on-line storage of photos, videos and other multimedia materials and allow public access to those materials.
 4. Blogs and Message Boards, either operated by the DDA or by a third-party with comments related to the DDA.
- (B) Any new Social Networking Outlets implemented by the DDA shall be operated in compliance with this policy, as determined by the VP of Operations.

General Rules of Use.

- (A) DDA presence on Social Networking Outlets will be administered by the VP of Operations.
- (B) Information posted by staff on official DDA pages must be factual and cannot impair the public's confidence in the operation of city economic development or the performance of the individual employee.
- (C) As public forums, DDA-administered pages will accept Connection requests from the public. DDA-administered pages will not submit Connection requests to individual users with the following exceptions:
1. Elected or appointed officials of the DDA or other governing body
 2. DDA/City employees
 3. Other government administered user profiles (e.g. cities, counties, state, etc.)
 4. Partner agencies approved by the President
 5. News media outlets and their representatives
- (D) Bulletins and Comments containing any of the following shall not be allowed for posting, or shall be removed by the DDA if posted:
1. Profane language or other content
 2. Content that promotes, fosters, or perpetuates discrimination on the basis of race, creed, color, age, religion, gender, marital status, status with regard to public assistance, national origin, physical or mental disability or sexual orientation
 3. Sexual content or links to sexual content
 4. Threats of violence

5. Solicitations of commerce
 6. Conduct or encouragement of illegal activity
 7. Information that may tend to compromise the safety or security of the public or public systems
 8. Content that violate proprietary or copyrighted information of any other party
- (E) DDA staff authorized to post material on DDA administered sites will receive training on the content and application of this policy before being granted access.
- (F) Hyperlinks to DDA administered sites may be placed on the homepage of the DDA's official Website (www.denisontx.org). Social site addresses may be used in appropriate marketing materials, but only in conjunction with and subordinate to the DDA's official web address.

Site Administration.

- (A) The DDA retains intellectual rights to content placed on DDA-Administered sites by employees.
- (B) The VP of Operations will maintain a current list of all DDA-administered sites, access information for each site, and employees who have been provided that access information.
- (C) If an employee with access to any of the DDA-administered sites leaves the organization for any reason, the VP of Operations will change the access information for all DDA-administered sites and distribute new access information to authorized employees.

Third Party Sites.

- (A) Only the President and Board of Directors are authorized to respond to information about the DDA that is posted to sites not maintained by the DDA. The VP of Operations should be notified of any proposed response prior to posting in order to ensure an appropriate and consistent message.
- (B) Employees who become aware of incorrect, inflammatory or potentially damaging information about the DDA that is posted to a publicly accessible site are encouraged to notify the President or VP of Operations.
- (C) When responding to material posted on a publicly accessible site, the responder must be clearly identified as being a DDA representative and content cannot impair the public's confidence in the operation of city economic development or the performance of the individual employee.

Employee Sites.

- (A) The DDA recognizes that many individual employees use Social Networking Outlets for their own purposes. This policy does not extend to individual employees sites, except that employees may be subject to disciplinary action for internet postings that could impair the public's confidence in the operation of city economic development or the performance of the individual employee.

(B) Personal sites may not be designed in such a way as to cause users to believe the site is DDA-administered or endorsed by the DDA, including unauthorized use of DDA logos and trademarks. Connections with DDA-administered sites are permitted.

Advertising and Sponsorship. The DDA will not solicit or accept paid advertising in association with its presence on Social Networking Outlets, without approval of the President.

Disclaimer. The DDA reserves the right to change, modify, amend, revoke or rescind all or part of this policy at any time.

User Rules of Conduct. Employees shall abide by the following rules of conduct at all times:

- Blogging, or posting information on the Internet not relevant to DDA business, is not allowed during work hours.
- Employees must never disclose any proprietary or confidential information concerning the Denison Development Alliance or an employee of the DDA in a blog or other posting to the Internet, regardless if done before, during or after work hours. Posting of proprietary or confidential information may violate state law and subject the user to criminal penalty.
- Employees must abide by all federal and state laws with regard to information sent through the Internet.
- Employees must respect coworkers and the DDA. Employees must not put anything on a blog or post any information on the Internet that will defame, embarrass, insult, demean or damage the reputation of the DDA or any of its employees.
- Employees must not post any pornographic pictures or other pictures of any type that could identify the posting individual as an employee of the DDA.
- An employee must not post pictures of himself or herself, or others containing images of Denison Development Alliance uniforms or insignia, DDA equipment or DDA work sites.
- The DDA prohibits the unauthorized release or disclosure of any employee information through the Internet or through other means that may be considered private and/or confidential by law.
- The DDA prohibits the unauthorized posting of information on the Internet that could adversely impact the DDA and/or an employee of the DDA.

7.7 VIOLENCE PREVENTION POLICY

The Denison Development Alliance strives to provide a safe and secure working environment for its employees. This policy is designed to help prevent incidents of violence from occurring in the workplace and to provide for the appropriate response when and if such incidents do occur.

Zero Tolerance. Harassment, intimidation, threats, threatening behavior, violent behavior or acts of violence between employees or such action between an employee and another person that arises from or is in any manner connected to the employee's employment with the DDA, whether the conduct occurs on duty or off duty, is prohibited.

DDA's Response to Threats or Acts of Violence. The DDA will attempt to respond appropriately to any person who threatens use of force or violence or threatens an unlawful act, exhibits threatening behavior or engages in violent acts. The DDA's response will normally be coordinated by the President and, where applicable, the City of Denison's Police Department or other appropriate law enforcement agency.

The President will evaluate the severity of the situation and the need for additional resources to minimize risk and further violence (e.g., law enforcement, emergency medical services) in an effort to ensure that appropriate administrative actions are taken. If such conduct occurs on DDA property, the offending person will typically be removed from the premises pending the outcome of an investigation. The DDA may also suspend and/or terminate the employment relationship, reassign job duties, mandate counseling with a psychologist or other mental health care provider of the DDA's choosing, initiate criminal prosecution of the person or persons involved, and/or other actions as determined by the DDA to be appropriate under the circumstances.

Mandatory Reporting. Each DDA employee must immediately notify the President or Board of Director of any act of violence or of any threat involving a DDA employee that the employee has witnessed, received or has been told that another person has witnessed or received. Even without an actual threat, each DDA employee must also report any behavior that the employee regards as threatening or violent when that behavior is job related or might be carried out on DDA property, a DDA controlled site or DDA job site, or when that behavior is in any manner connected to DDA employment or activity.

Each employee is responsible for making this report regardless of the relationship between the individual who initiated the threat or threatening behavior and the person or persons threatened or the target of the threatening behavior.

7.8 SEARCHES

To safeguard the property of our employees, our citizens, and the DDA and to help prevent the possession, sale, and use of illegal drugs on DDA premises, in keeping with the DDA's drug-free workplace policy, the DDA reserves the right to question employees and all other persons entering and leaving the work site, and to inspect any packages, parcels, purses, handbags, briefcases, lunchboxes, or any other possessions or articles carried to and from the work site. DDA may also at any time conduct unannounced searches or inspections of the work site including, but not limited to DDA property used by employees, such as lockers, file cabinets,

computer and electronic devices and files, desks, offices, whether secured, unsecured or secured by a lock provided by the employee. In this connection, it should be noted that all offices, desks, files, lockers and so forth, are the property of DDA and are issued for the use of employees only during their employment with DDA.

If reasonable suspicion exists, DDA may also conduct unannounced searches or inspections of the employee's personal property located on DDA's premises, including vehicles parked in DDA parking lots.

NOTE: DDA's authority to conduct unannounced searches is not limited to situations involving reasonable suspicion of possession and/or use of drugs or alcohol.

All searches must be authorized and conducted under the direction of the President and/or Board of Director. Employees who refuse to cooperate with a search may be subject to disciplinary action up to and including termination of employment.

The DDA assumes no responsibility for loss of employees' personal belongs stored on DDA property.

7.9 DRUG AND ALCOHOL USE

It is the DDA's goal to provide a drug free, healthful and safe work place. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory and safe manner.

Prohibition Against Illegal and Unauthorized Drug Related Paraphernalia. This policy also prohibits the use, possession, distribution and sale of drug related paraphernalia while on the premises of the Denison Development Alliance, while on duty, or while conducting DDA related business or other activities off premises. Drug related paraphernalia includes material and/or equipment designed for use in testing, packaging, storing, injecting, ingesting, inhaling or otherwise introducing illegal or unauthorized drugs into the body.

Permissive Use of Prescribed and Over the Counter Drugs. The legal use of prescribed and over the counter drugs is permitted while on the premises of the Denison Development Alliance, while on duty, while conducting DDA related business or other activities off premises **only if** it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger the employee, citizens or other individuals in the workplace. Examples of impairment include, but are not limited to, drowsiness, dizziness, confusion or feeling unsteady.

Rehabilitation/Treatment. It is the DDA's desire to assist employees who voluntarily request assistance with their alcohol or drug dependency. For DDA support and assistance, however, an employee must acknowledge his problem and seek and accept counseling and/or rehabilitation before it impairs his job performance and/or jeopardizes his employment.

An employee, who has successfully completed the probationary period, who has a drug or alcohol problem that has not resulted in, and is not the immediate subject of, disciplinary action may

request approval to take a leave of absence to participate in a rehabilitation or treatment program. An employee may not enroll in a rehabilitation or treatment program in lieu of disciplinary action.

Note: Under certain circumstances, treatment for substance abuse may be covered under the DDA's Family Medical Leave Act Policy.

The cost of any rehabilitation or treatment may be covered under the DDA's group health insurance policy. In any case, the employee is responsible for all costs associated with any rehabilitation or treatment program.

During time off for a DDA approved rehabilitation or treatment program, the employee must use any available vacation leave, sick leave, accrued holiday or other accrued paid leave time. If the employee has no paid time off available, the time away from work will be unpaid. Where applicable, any time off for rehabilitation or treatment under this policy will also be designated as leave under the DDA's Family and Medical Leave Act policy.

If the employee successfully completes his prescribed rehabilitation or treatment, the DDA will make reasonable efforts to return the employee to his prior position or one of similar pay and status. However, employment with the DDA following a DDA approved leave for rehabilitation or treatment is conditioned on the following:

- Initial negative test for drugs and/or alcohol before returning to work;
- A written release to return to work from the DDA approved rehabilitation or treatment facility/program;
- Periodic and timely confirmation of the employee's continuing cooperation and successful participation in any follow-up or on-going counseling, testing or other treatment required in connection with the DDA approved rehabilitation or treatment program, if applicable;

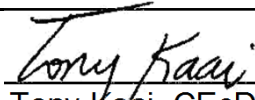
7.10 DRUG AND ALCOHOL TESTING

Testing of Applicants. All applicants, to whom a conditional offer of employment has been made, may be required to submit to testing for illegal and unauthorized drugs. A positive test result, refusal to test, or attempts to alter or tamper with a sample or any other part of the test, will render the applicant ineligible for consideration of employment or future employment with the DDA.

**Investment Report
Denison Development Alliance
November 30, 2017**

Bank/Money Market	Type	Date Opened	Maturity Date	Current Yield	Beginning Balance	Accrued Interest	Ending Balance
American Bank Checking	Commercial Checking			0.000	\$48,102.85	\$0.00	\$184,285.44
American Bank of Texas	Money Market	10/27/03		0.150	\$1,615,952.62	\$181.78	\$1,551,644.51
American Bank of Texas	Deferred Comp Trust MM	10/01/11		0.150	\$296,246.10	\$36.15	\$321,282.25
Total							\$2,057,212.20

<i>October 2017 Total</i>	<i>\$2,096,484.16</i>
<i>November 2017 Total</i>	<i>\$2,057,212.20</i>
<i>December 2017 Total</i>	
<i>January 2018 Total</i>	
<i>February 2017 Total</i>	
<i>March 2018 Total</i>	
<i>April 2018 Total</i>	
<i>May 2018 Total</i>	
<i>June 2018 Total</i>	
<i>July 2018 Total</i>	
<i>August 2018 Total</i>	
<i>September 2018 Total</i>	



 Tony Kaai, CEcD
 President

400 · 4A Sales Tax Revenue

2015/2016			2016/2017			2017/2018			Annual
Date	Memo	Amount	Date	Memo	Amount	Date	Memo	Amount	Difference
09/21/15	September	\$ 109,408.44	09/20/16	September	\$ 123,027.32	09/18/17	September	\$ 127,680.25	\$ 4,652.93
10/20/15	October	\$ 112,579.97	10/21/16	October	\$ 135,352.31	10/24/17	October	\$ 130,834.95	\$ (4,517.36)
11/19/15	November	\$ 145,108.38	11/28/16	November	\$ 162,960.47	11/27/17	November	\$ 170,278.87	\$ 7,318.40
12/02/15	December	\$ 118,014.96	12/21/16	December	\$ 131,531.77	12/18/17	December	\$ 127,501.13	\$ (4,030.64)
01/20/16	January	\$ 108,636.35	01/31/17	January	\$ 135,541.01		January		
02/22/16	February	\$ 155,624.88	02/23/17	February	\$ 178,724.07		February		
03/21/16	March	\$ 110,058.49	03/21/17	March	\$ 125,555.52		March		
04/15/16	April	\$ 107,656.27	04/26/17	April	\$ 118,135.10		April		
05/27/16	May	\$ 143,863.19	05/22/17	May	\$ 165,106.79		May		
06/20/16	June	\$ 119,444.26	06/19/17	June	\$ 134,583.33		June		
07/18/16	July	\$ 114,018.14	07/28/17	July	\$ 137,083.36		July		
08/24/16	August	\$ 162,934.29	08/21/17	August	\$ 164,013.03		August		
Total to Date Comparison		\$ 485,111.75	Total to Date Comparison		\$ 552,871.87	Total to Date Comparison		\$ 556,295.20	
2015/2016 Grand Total		\$ 1,507,347.62	2016/2017 Grand Total		\$ 1,711,614.08	2017/2018 Grand Total		\$ 556,295.20	
									To Date Difference
									\$ 3,423.33
									(from previous year)