Lewisville City Council

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A G E N D A

LEWISVILLE CITY COUNCIL MEETING
DECEMBER 7, 2015

LEWISVILLE CITY HALL
151 WEST CHURCH STREET
LEWISVILLE, TEXAS 75057

WORKSHOP SESSION - 6:00 P.M.
REGULAR SESSION - 7:00 P.M.

Call to Order and Announce a Quorum is Present.

WORKSHOP SESSION - 6:00 P.M.

A. Overview of Hotel/Motel/Extended Stay Facilities Proposed Ordinance Requirements

B. Discussion of Regular Agenda Items and Consent Agenda Items

REGULAR SESSION - 7:00 P.M.

A. **INVOCATION:** Councilman Gilmore

B. **PLEDGE TO THE AMERICAN AND TEXAS FLAGS:** Councilman Daniels

C. **PRESENTATION:** Certificates of Appreciation to Citizens; Ryan Mastellar, Lisa Foshee, Jose Reyes, Manuel Reyes and Rodger Jones From the Lewisville Police Department

D. **PUBLIC HEARINGS:**

1. **Public Hearing: Consideration of an Ordinance Prohibiting the Use of and Contact With Designated Groundwater From Beneath the Property Generally Described as Old Orchard East Shopping Center Located at 1288 West Main Street and 1280 West Main Street, Suite 130, Lewisville, Texas, to Facilitate Certification of a Municipal Setting Designation ("MSD") of Said Property by the Texas Commission On Environmental Quality ("TCEQ"), Pursuant to the Texas Solid Waste Disposal Act; Providing for a Repealer; Providing for Severability; Providing a Penalty; Providing an Effective Date; and Declaring an Emergency.**

ADMINISTRATIVE COMMENTS:

On October 8, 2015, the City received an MSD application from Cirrus Associates, LLC, on behalf of 1171/Old Orchard Limited Partnership, property owner at 1288 West Main Street and 1280 West Main Street, Suite 130, in Lewisville. The application was reviewed and deemed complete. Ordinance No. 4158-02-2015 requires both a public meeting and a public hearing for consideration of the application by City Council. A public meeting was held on November 19, 2015.

RECOMMENDATION:

That the City Council consider the proposed ordinance as set forth in the caption above.

AVAILABLE FOR QUESTIONS: Richard Record, Cirrus Associates, LLC

2. Public Hearing: Consideration of an Ordinance Granting a Special Use Permit (SUP) for a Plant Nursery (Retail Sales) With Outdoor Display and Storage on a Portion of a 10.807-Acre Lot, Legally Described as Lot 1, Block A, Main Valley Shopping Center Addition; Located on the Southwest Corner of West Main Street (FM 1171) and South Valley Parkway; at 1116 West Main Street; and Zoned Local Commercial District (LC), as Requested by Westlake ACE Hardware, the Applicant (Case No. SUP-2015-11-13).

ADMINISTRATIVE COMMENTS:

The subject request is to allow the addition of an outdoor garden center/plant nursery in the parking lot in front of the Westlake ACE Hardware that opened in October. The request also includes a merchandise display area in front of the store along the sidewalk. The Planning and Zoning Commission recommended unanimous approval of the Special Use Permit at their meeting on November 3, 2015.

RECOMMENDATION:

That the City Council approve the proposed ordinance as set forth in the caption above.

STAFF PRESENTATION: Richard E. Luedke, Planning Manager

AVAILABLE FOR QUESTIONS: Loren Casey, Store Manager, Westlake ACE Hardware

3. Public Hearing: Consideration of an Ordinance Granting a Zone Change in Order to Amend the Concept Plan for Hebron 121 Station, a Mixed Used Development on a 90.08-Acre Tract of Land out of the A.J. Hitchcock Survey, Abstract No. 614, the McKinney and William Survey, Abstract No. 936 and the B.B.B and C.R.R. Co. Survey, Abstract No. 144; Bounded by the DGNO Railroad to the East, Timber Creek to the West, SH 121 to the South, and Lakeside Circle to the North; Zoned Mixed Use Ninety District (MU-90), as Requested by Riverside DPH, the Property Owner (Case No. PZ-2015-11-19).

ADMINISTRATIVE COMMENTS:

The applicant has proposed changes to the approved Concept Plan which requires the applicant to file a new zone change request to amend the Concept Plan. Staff recommends that no action be taken on this item as additional review is necessary.

RECOMMENDATION:

That the City Council take no action.

4. Public Hearing: Consideration of an Ordinance Granting a Zone Change From Light Industrial District (LI) and Agricultural Open Space District (AO) to Mixed Use Ninety District (MU-90) on an Approximately 143-Acre Tract of Land out of the J. Armendaris Survey, Abstract No. 28; the W. Cantwell Survey, Abstract No. 290; the J. Chowning Survey, Abstract No. 242; the H. Harper Survey, Abstract No. 605; the Haynes-Bullion Survey, Abstract No. 626; the A.J. Hitchcock Survey, Abstract No. 614; and the McKinney-Williams Survey, Abstract No. 936; Bounded Hebron Parkway to the North, SH 121 to the South, the DGNO Railroad to the West, and the Elm Fork Trinity River to the East, as Requested by Riverside DPH and the City of Lewisville, the Property Owners (Case No. PZ-2015-11-20).

ADMINISTRATIVE COMMENTS:

The proposed concept plan illustrates four commercial buildings with approximately 270,000 square feet fronting Hebron Parkway and a hotel and conference center with approximately 208,000 square feet adjacent to the DCTA passenger rail station. The remainder of the property lies within the 100-year floodplain and will be used to create a lake with a network of trails, recreational features and nature-focused amenities. The Planning and Zoning Commission recommended unanimous approval of the zone change at their meeting on November 17, 2015. The applicant, Riverside DPH, has requested that the public hearing be continued to the December 21, 2015, City Council meeting so that the request can be considered on the same agenda as a companion item (Agenda Item Number 3), a proposed concept plan amendment to Hebron 121 Station.

RECOMMENDATION:

That the City Council continue the public hearing until December 21, 2015.

STAFF PRESENTATION: Nika Reinecke, Director of Economic Development and Planning

AVAILABLE FOR QUESTIONS: Elvio Bruni, Riverside DPH

5. Public Hearing: Consideration of an Ordinance Amending Chapter 17, Zoning, of the Lewisville City Code, by Amending Section 17-3, Definitions, to add a Definition of a Chapter 748 Operation; and Section 17-20, Medical District, to Allow, With a Special Use Permit, a Chapter 748 Operation; and by Amending the Following Zoning Districts to Allow, With a Special Use Permit, Hotels, Motels, and Inns With Rooms That Have a Cooktop or Oven: Section 17-22, General Business District; Section 17-22.6, Old Town Center District; Section 17-22.7, Old Town Mixed Use 2 District; Section 17-22.8.1, Mixed Use Shopping Center District; Section 17-22.8.2, Mixed Use District; and Section 17-22.8.3, Mixed Use Ninety District.

ADMINISTRATIVE COMMENTS:

The proposed amendments related to Chapter 748 Operations are brought forward to address potential uses that are not currently identified in the zoning ordinance after a request from a local social service agency. The amendments related to hotels are in alignment with proposed amendments to the hotel requirements in Chapter 6, General Development Ordinance. The Planning and Zoning Commission recommended unanimous approval of the proposed Zoning Ordinance amendments at their meeting on November 17, 2015.

RECOMMENDATION:

That the City Council approve the proposed ordinance as set forth in the caption above.

AVAILABLE FOR QUESTIONS: Richard E. Luedke, Planning Manager

E. **VISITORS/CITIZENS FORUM:** At this time, any person with business before the Council not scheduled on the agenda may speak to the Council. No formal action can be taken on these items at this meeting.

F. **CONSENT AGENDA:** All of the following items on the Consent Agenda are considered to be self-explanatory by the Council and will be enacted with one motion. There will be no separate discussion of these items unless a Council Member or citizen so request. For a citizen to request removal of an item, a speaker card must be filled out and submitted to the City Secretary.

6. APPROVAL OF MINUTES: City Council Minutes of the November 16, 2015, Workshop Session and Regular Session.

7. Approval of a Supplemental Appropriation for Prior Year Encumbrances in the Following Amounts: General Fund - $396,363; 2025 Implementation/Incentives Fund - $261,054; Hotel/Motel Fund - $16,494; Recreation Fund - $2,726; PEG Programming Fund - $125,803; Asset Forfeiture-State Fund - $209,643; Grants Fund - $31,354; Crime Control & Prevention District Fund - $141,979; Utility Fund - $348,392; Maintenance & Replacement Fund - $90,169; Self-Insurance Risk Fund - $8,436; and Health Insurance Trust Fund - $3,399.

ADMINISTRATIVE COMMENTS:

Each year, a recommendation is made to supplementally appropriate funds from open purchase orders from the prior fiscal year. As a result, when the items or services are received in the current fiscal year, they are charged to the current year. Unless the current fiscal year appropriations are amended to provide for these charges, funds in the affected line item accounts will be short at year-end.

RECOMMENDATION:

That the City Council approve the supplemental appropriations as set forth in the caption above.

8. Approval of a Resolution Acknowledging the 2016 Waste Management Cost of Service Rates and Resulting Customer Rates for Residential and Multi-Family Solid Waste/Recycling Services and Commercial Solid Waste Collection and Disposal Services.

ADMINISTRATIVE COMMENTS:

In April 2014, Council approved a franchise agreement with Waste Management (WM) for solid waste/recycling collection services for residential and multi-family customers and solid waste collection and disposal services for commercial customers. Ordinance No. 4062-04-2014 became effective August 4, 2014. Per the agreement, the WM cost of service rates are to be adjusted annually by the percentage increase in the DFW Consumer Price Index (CPI) for the preceding twelve month period. Adjustments take effect on January 1 of the subsequent contract year. The current CPI for the DFW area as published by the Bureau of Labor Statistics reflects a decrease of 0.854 percent. As a result, WM cost of service rates for 2016 will not change. Staff recommends that the customer rates established by Council remain the same for 2016 as well, and no revisions to the fee ordinance for customer rates will be required.

RECOMMENDATION:

That the City Council approve the resolution as set forth in the caption above.

9. Approval of the Location for the 2016 City Council Retreat.

ADMINISTRATIVE COMMENTS:

On September 21, 2015, Council approved a set of workshop dates including the 2016 City Council Retreat for February 26-27. Staff is recommending holding the retreat at the Plano Marriott at Legacy Town Center. This location is recommended based on a number of reasons: the mixed-use development around Legacy is one of the most well-executed, true mixed-use developments in the metroplex; Plano's downtown area has seen a surge in activity in recent years including a wrap designed apartment development, as well as City initiated improvements that are currently underway; and Plano recently opened a Nature Center – Oak Point Park and Nature Preserve. As part of the overall retreat, it would be beneficial for council and staff to see these developments and to speak with those instrumental in their success.

RECOMMENDATION:

That the City Council approve the location for the 2016 City Council Retreat.

10. Approval of an Agreement With FW Services, Inc. DBA Pacesetter Personnel Services to Supply Temporary Services for City Departments for a One Year Period With an Option to Renew for Two Additional Years; and Authorization for the City Manager to Execute the Agreement.

ADMINISTRATIVE COMMENTS:

The City of Lewisville requested proposals for temporary services on September 17, 2015. A total of three proposals were received. Staff recommends the contract be awarded to FW Services, Inc DBA Personnel Services based on the cost and expected quality of service.

RECOMMENDATION:

That the City Council approve the agreement as set forth in the caption above.

G. **REGULAR HEARINGS:**

11. Consideration of an Ordinance Amending the Lewisville City Code, Chapter 6, Article IX, Section 6-182, Hotel/Motel/Extended Stay Facilities, by Repealing and Replacing the Section in its Entirety by Adding Requirements for New or Modified Hotels, Motels and Extended Stay Facilities.

ADMINISTRATIVE COMMENTS:

The current hotel/motel/extended stay facilities regulations were adopted in 2009 in an effort to increase the standards for these facilities and to potentially attract a new full service hotel to Lewisville. Review of the current regulations revealed that none of the high quality hotels that have recently expressed interest in Lewisville could meet all current ordinance requirements. The proposed amendments adjust the standards to be more in line with common amenities offered with new, high quality, limited service hotels. The amended regulations are also expected to increase opportunities for the development of new hotel brands in Lewisville.

RECOMMENDATION:

That the City Council approve the proposed ordinance as set forth in the caption above.

STAFF PRESENTATION:

Nika Reinecke, Director of Economic Development and Planning

12. Consideration of an Ordinance Authorizing the Issuance of $10,950,000 City of Lewisville, Texas, Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2015 (Lewisville Castle Hills Public Improvement District No. 5 Project) (the "Series 2015 Utility Bonds") in Accordance With the Terms of That Certain Master Trust Agreement and Second Supplemental Trust Agreement; Approving and Authorizing the Execution of the Second Supplemental Trust Agreement; Authorizing a Final Limited Offering Memorandum Pertaining to the Issuance of the Series 2015 Utility Bonds; Approving a Bond Placement Agreement; Providing an Effective Date and Containing Other Matters Related to the Series 2015 Utility Bonds.

ADMINISTRATIVE COMMENTS:

Denton County Fresh Water Supply District No 1-G has requested the City to authorize and approve the issuance of up to $10,950,000 of said bonds above for the purpose of acquiring certain water, sewer, and drainage facilities and to pay certain costs incurred in connection with the issuance of the bonds.

RECOMMENDATION:

That the City Council consider the ordinance as set forth in the caption above.

AVAILABLE FOR QUESTIONS: Ross Martin, Winstead, PC

13. Consideration of a Resolution Casting Lewisville's Votes for Directors to the Denton Central Appraisal District Board.

ADMINISTRATIVE COMMENTS:

The Denton Central Appraisal District has furnished a list of nominated candidates for election to their Board of Directors, as well as a list outlining the 2015 Distribution of Votes. Votes may be cast for one or more candidates but cannot exceed the number allocated to the entity in total. The City of Lewisville has been allocated 120 votes. The five nominees receiving the most votes become the board. Information sheets on the candidates are provided for Council's consideration. Each voting unit must cast its vote by December 15th.

RECOMMENDATION:

That the City Council consider casting Lewisville's votes for Directors to the Denton Central Appraisal District Board.

H. **REPORTS**: Reports about items of community interest regarding which no action will be taken.

AGENDA
LEWISVILLE CITY COUNCIL
DECEMBER 7, 2015

I. **CLOSED SESSION:** In Accordance with Texas Government Code, Subchapter D,

1. Section 551.071 (Consultation with Attorney/Pending Litigation): Texas Commission on Environmental Quality Modification to Municipal Solid Waste Permit No. 1312A; and Texas Commission on Environmental Quality Application to Obtain Municipal Solid Waste Permit Amendment - Permit No. 1312B

2. Section 551.072 (Real Estate): Property Acquisition

3. Section 551.087 (Economic Development): Deliberation Regarding Economic Development Negotiations

J. **RECONVENE** into Regular Session and Consider Action, if Any, on Items Discussed in Closed Session.

K. **ADJOURNMENT**

The City Council reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

Proposed Changes for New Hotel Construction-Revised based on Comments

Why Consider Changes to the Hotel Requirements?

- Recent Interest from Hotel Developers
- Redevelopment Opportunities due to I-35E Widening
- Lewisville's Desirable Location and Market
- Review of Peer Cities Revealed Few with Hotel Regulations

History

- Pre-2003: No Specific Standards Existed
- 2003 Changes:
  - Room Size - 400 square feet
  - Interior Corridors Required
  - 24-hour On-Site Staff Required

History

- Changes in 2009:
  - Added menu options to the minimum requirements
  - (4 out of 5 selection)
    - Furnished rooms
    - Swimming Pool (1,000 S.F. minimum; 2,500 S.F. with 200+ Rooms)
    - Full service restaurant
    - Number of guest rooms - 175
    - Meeting space-10,000 square feet

Impact of 2009 Ordinance Changes

- No new hotel built in full compliance with ordinance to date
- Since 2009, only Springhill Suites has been built, utilizing an ED Agreement with a room size variance (this Agreement was executed prior to 2009, therefore fell under the 2003 requirements)
- New hotel brands in the market
  - Hilton Home 2; Candlewood Suites; LaQuinta Inn & Suites; Aloft; Indigo
- Number of hotel rooms reduced in Lewisville due to market conditions and I-35E expansion

Impact of Proposed Ordinance changes

- Ability for Lewisville to get new hotels based on market demand
- I-35E Corridor Market Study shows the need for limited service hotels (Weinstein, Clower & Associates, 2012)
- Full service hotel attraction often requires major public investment and should be approached separately from ordinance amendments
- Currently 3 hotels in discussion (Hilton Home 2, La Quinta Inn & Suites, Candlewood Suites) (All average 325 square-foot room size)

Proposed Amendments
Council Workshop 9-21-2015

- Proposed minimum requirements:
  - Room size - 325 square feet
  - Minimum number of rooms - 100
  - Interior corridors
  - 24-hour on-site staff
  - Fully furnished rooms
  - Minimum 4 stories in height (drives higher quality construction)

Added Menu Option
(3 out of 4 must be added)

- Enhanced architectural design, building material and landscaping (i.e. 80% Stone/brick façade, façade articulation, 30% additional trees and plant materials above standard city ordinances, enhanced paving in parking lot, drop off area)
- Increase room count to 130
- Provide minimum 1,500 square feet in meeting space
- Provide a bar/restaurant open in the evening

Proposed Amendments Based on Comments Received

- Council provided direction to staff on 9-21-15 for certain modification
- Staff met with existing hoteliers on 10-8-15 to review proposed changes. Several expressed strong opposition to any change to the existing ordinance, other recommendations received have been incorporated to the extent possible which include:
  - Increase minimum room count
  - Require other amenities
  - Increase height to 5 stories (not incorporated)

Proposed Amendments Based on Comments Received

- Proposed minimum requirements:
  - Room size - 325 square feet
  - Minimum number of rooms - 110
  - Interior corridors
  - 24-hour on-site staff & daily housekeeping
  - Fully furnished rooms
  - Minimum 4 stories in height
  - Enhanced architectural standards

Proposed Amendments Based on Comments Received

- *Miscellaneous*. Two of the following items shall be included in the design and construction or modification of all hotels, motels and extended-stay facilities:
- A Fitness facility - Minimum 400 square feet.
- Indoor/outdoor pool - Minimum 1,000 square feet.
- Spa/Sauna - Minimum 800 square feet.
- Gift shop - Minimum 400 square feet.
- Outdoor atrium/plaza with seating space - Minimum 1,000 square feet.

New Menu Option
(3 out of 4 must be added)

- Enhanced landscaping (i.e. 30% additional trees and plant materials above standard city ordinances, enhanced paving in parking lots &, drop off areas)
- Increase room count to 130
- Provide minimum 1,500 square feet in meeting space
- Provide a bar/restaurant open in the evening

Other Options Added

- *Economic Development Incentives.* Subject to approval of an economic development agreement by the City Council, a project that meets all 4 requirements in section (c) above may be eligible for an economic development incentive for reduction of development fees.
- *Cooktop/Oven.* New hotel construction with cooktop or oven in guestrooms shall require the approval of a Special Use Permit in accordance with the provisions of the Zoning Ordinance.

Conclusion

- Changes will allow several hotel projects to move forward
- Provide for high quality but flexibility within projects
- Increase number of hotel rooms & Lewisville's market share
- Hotel is a superior use compared to other uses allowed in the Zoning Ordinance within certain districts
- Increase property value (Estimate for 3 proposed hotels- $100 million)

Hilton Home 2 Suites Conceptual Images

BRAND PRESENCE

Hilton Home 2 Suites Conceptual Images

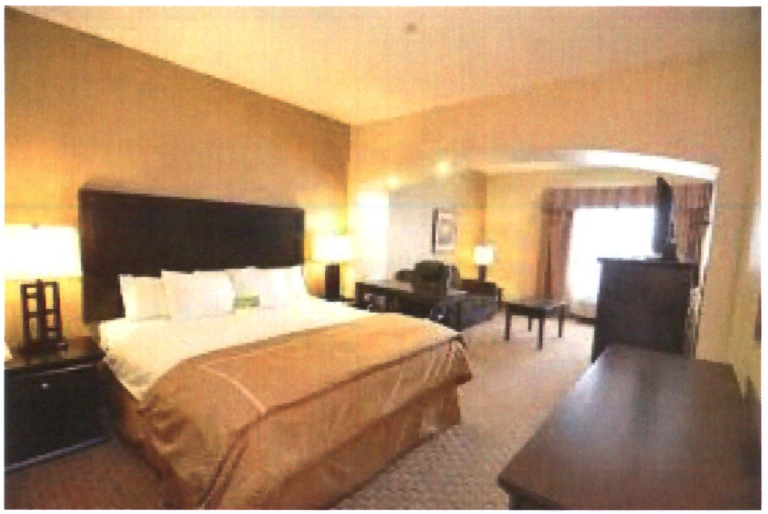
COMFORTABLE
& FUNCTIONAL

Hilton Home 2 Suites Conceptual Images

Hilton Home 2 Suites Typical Room Layout

Candlewood Suites Conceptual Images

La Quinta Inn & Suites Conceptual Images



MEMORANDUM

TO: Donna Barron, City Manager

FROM: Lisa Weaver, Sustainability Manager

VIA: Steven L. Bacchus, Assistant City Manager

DATE: November 17, 2015

SUBJECT: **Public Hearing: Consideration of an Ordinance Prohibiting the Use of and Contact With Designated Groundwater From Beneath the Property Generally Described as Old Orchard East Shopping Center Located at 1288 West Main Street and 1280 West Main Street, Suite 130, Lewisville, Texas, to Facilitate Certification of a Municipal Setting Designation ("MSD") of Said Property by The Texas Commission On Environmental Quality ("TCEQ"), Pursuant to The Texas Solid Waste Disposal Act; Providing for a Repealer; Providing for Severability; Providing a Penalty; Providing an Effective Date; and Declaring An Emergency.**

BACKGROUND

In February 2015, City Council approved Ordinance No. 4158-02-2015 which establishes a process for the City to consider requests for Municipal Setting Designations (MSD) by property owners of properties underlain with contaminated groundwater. The City's MSD application process is managed by the Office of Sustainability.

On August 21, 2015, the City received an MSD application from Cirrus Associates, LLC, on behalf of 1171/Old Orchard Limited Partnership, property owner at 1288 West Main Street and 1280 West Main Street, Suite 130, in Lewisville. The application was reviewed by City staff and deemed incomplete, and the applicant was notified of deficiencies on September 10. The City subsequently received a revised application on October 8, 2015. Staff review was conducted and all previous deficiencies were appropriately addressed so the application was deemed complete. A public meeting was held on November 19, 2015. Ordinance No. 4158-02-2015 requires a public hearing for consideration of the application by City Council. Notice of the public hearing scheduled for December 7, 2015 occurred at the same time the notice was published for the public meeting.

Letters of notice of the application, public meeting and public hearing were mailed to affected parties as required by State MSD regulations. Additionally, property owners within 1000 feet of the MSD property boundary were sent notice per the City's MSD ordinance notification requirements. There were 13 people in attendance at the public meeting, and the City and the Applicant received a few phone calls after the notice letters were mailed. Questions and comments generally were for clarification about what an MSD means and if the well owners needed to take any action because of the MSD application. Some residents at the public meeting did express concern over contamination threats since they use their wells for drinking water, but once the

Applicant explained the depth and plume of the contamination on the proposed MSD property, these residents appeared to be satisfied no threat to their well water was evident.

ANALYSIS

Affected Parties. There are 471 state-registered private wells within five miles of the proposed MSD property. Additionally, there are 13 Retail Public Utilities (RPUs) operating groundwater supply wells within five miles of the property boundaries. Tax rolls indicated 288 property owners within 1000 feet of the proposed MSD property.

All of these affected parties were mailed notice of the MSD application and public meeting. As mentioned above, some affected parties were present at the public meeting. The applicant has indicated that none of the RPUs or municipalities has contacted them since the notice letters were sent out. The applicant will be required to comply with TCEQ's direction regarding obtaining resolutions of support from the affected RPUs and municipalities for its MSD application to the State. If the applicant cannot provide evidence of required support, the TCEQ will not certify the MSD. The applicant will pursue the support of the RPU's contingent upon the decision made by Lewisville City Council regarding Lewisville's support.

Overview of Contamination Impacts. Groundwater is reported to have been contaminated from off-site sources west of the proposed MSD property. Those off-site sources were identified as a former dry cleaner and two gas stations. Groundwater samples from investigations on the proposed MSD site in 2012 showed migration of dry cleaning and fuel-related compounds from those off-site sources. The samples revealed concentrations of tetrachloroethene (PCE), trichloroethene (TCE), cis-1, 2-dichloroethene (2-DCE), methyl tertiary butyl ether (MTBE) and vinyl chloride above their respective Texas Risk Reduction Program (TRRP) Tier 1 Residential ingestion protective concentration levels (PCLs) for Class 1 or 2 groundwater. No other Volatile Organic Compounds (VOCs) were detected above their respective TRRP Tier 1 Residential ingestion PCLs.

Cleanup Efforts. The proposed MSD property was accepted into the VCP in October 2014. No further sampling has been completed as the concentrations of dry cleaning solvents and fuel-related compounds were sufficient and typical for filing in the VCP. Also, the concentrations identified are well below the applicable closure levels with an MSD in place. Any additional TCEQ required sampling will be completed upon TCEQ's direction. The Applicant's objective is to obtain closure through the restriction on use of the groundwater through the proposed MSD ordinance.

RECOMMENDATION

It is City staff's recommendation that the City Council consider the ordinance as set forth in the caption above.

MUNICIPAL SETTING DESIGNATIONS

Authorization for Municipal Setting Designations

MSDs are allowed under Texas Health and Safety Code Chapter 361, Subchapter W, for the purpose of limiting or eliminating the State requirements to investigate and clean up existing contaminated groundwater to drinking water standards when the groundwater is prohibited from being used for potable purposes. The Texas Commission on Environmental Quality Remediation Division is responsible for managing MSD applications. Instead of requiring property owners to restore or control the contaminated groundwater zone so it can be used as potable water, TCEQ allows a prohibition to be placed on the designated groundwater in the form of a municipal ordinance or restrictive covenant that prohibits potable water use of groundwater at the site. The MSD alternative is beneficial to municipalities because it encourages development and redevelopment of properties with contaminated groundwater while providing protective measures for public health and environmental safety. It is not intended to replace remediation cleanup programs.

In February 2015, City Council approved Ordinance No. 4158-02-2015 which establishes a process for the City to consider requests for Municipal Setting Designations (MSD) by property owners of properties underlain with contaminated groundwater. The City's MSD application process is managed by the Office of Sustainability.

Eligibility

The State sets eligibility criteria for MSDs. The statute is specific only to groundwater contamination and does not relieve property owners of any other cleanup action required by TCEQ for concerns unrelated to potable water use. By applying for an MSD with TCEQ, the applicant is documenting that contamination is present on the property. If the property is not already in a remediation program, the applicant can enter the Voluntary Cleanup Program (VCP) or the TCEQ will enter the property into a State corrective action program.

Applications for TCEQ certification are considered only if the subject property is within the corporate limits or extraterritorial jurisdiction of a municipality authorized by statute and there is a public drinking water supply system that supplies or is capable of supplying drinking water to the subject property and properties within one-half mile of the subject property.

Notice Requirements

Both State law and the City's MSD ordinance require notifications to parties affected by the MSD. The notice allows affected parties to know how to obtain information about the property seeking designation and the contaminants present on that property, and provides an opportunity for those parties to comment on the request. The notice is not intended to imply a requirement for affected parties to take any action, but is given only for the purpose of notice of the application for an MSD.

Letters of notice identifying the proposed MSD property, the type of groundwater contamination and the party responsible (if known) as well as explaining the purpose of the MSD are required by TCEQ to be sent to:

1. the municipality in which the property is located,
2. municipalities within one-half mile of the MSD property boundary or that own/operate a water supply well located within five miles of the MSD property boundary,
3. registered private well owners within five miles, and
4. retail public utilities (RPU) that own/operate groundwater supply wells within five miles of the MSD property boundary.

In addition to these State notice requirements, the City's MSD ordinance requires notification to all real property owners within 1000 feet of the proposed MSD property boundary. The City also provides notice of public meetings and public hearings on the MSD application to allow affected parties to make comments and get additional information.

City Role in MSD Process

Many urban locations have areas where historical uses of property for commercial or industrial activities resulted in contamination seeping through the soil and into groundwater. However, many urban areas also have public water supplies that come from surface water sources rather than groundwater. With the State's MSD law in place, affected municipalities are able to consider local circumstances and impacts when requests for MSD are made.

The City is not required by statute to accept, process or support MSD applications. Certification of MSDs is the responsibility of TCEQ and application must be made to TCEQ by the property owner. However, TCEQ will not consider certification of the MSD unless municipal support exists. This support is demonstrated through a site specific municipal ordinance or resolution supporting filing of a restrictive covenant regarding prohibited groundwater use on the property. The City of Lewisville's MSD ordinance requires a site specific ordinance prohibiting groundwater use within the boundaries of the MSD. When the subject property is within one-half mile of bordering municipalities or within five miles of another municipality's groundwater supply well, State law requires a resolution of support for the MSD application to TCEQ from those municipalities as well.

The State statute does not prohibit a city from imposing additional application procedures and requirements on the MSD applicant. However, it should be noted that the municipality is not the enforcement agency regarding contamination on the property. That responsibility and authority lies with the TCEQ. It should also be noted that the City is not responsible for environmental risk assessments on the subject properties.

ORDINANCE NO. _____

AN ORDINANCE PROHIBITING THE USE OF AND CONTACT WITH DESIGNATED GROUNDWATER FROM BENEATH THE PROPERTY GENERALLY DESCRIBED AS OLD ORCHARD EAST SHOPPING CENTER LOCATED AT 1288 WEST MAIN STREET AND 1280 WEST MAIN STREET, SUITE 130, LEWISVILLE, TEXAS, TO FACILITATE CERTIFICATION OF A MUNICIPAL SETTING DESIGNATION ("MSD") OF SAID PROPERTY BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ"), PURSUANT TO THE TEXAS SOLID WASTE DISPOSAL ACT; PROVIDING FOR A REPEALER; PROVIDING FOR SEVERABILITY; PROVIDING A PENALTY; PROVIDING AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

WHEREAS, Chapter 361, Subchapter W, of the Texas Solid Waste Disposal Act ("MSD legislation") authorizes the TCEQ to certify Municipal Setting Designations for properties upon receipt and approval of a proper application to the TCEQ ; and,

WHEREAS, the Texas legislature, in enacting the MSD legislation, found that an action by a municipality to restrict access to or the use of groundwater in support of or to facilitate a MSD advances a substantial and legitimate State interest; and,

WHEREAS, as part of the application process for an MSD, an applicant is required to provide the TCEQ with documentation of a resolution or ordinance of support from the municipality in which the MSD is being sought, which ordinance prohibits the use of and contact with groundwater from beneath the designated property for potable purposes; and,

WHEREAS, due to limited quantity and low quality, there are areas of shallow groundwater within the City and its extraterritorial jurisdiction that are not valuable as potable water sources and therefore are not utilized for potable water; and,

WHEREAS, some commercial and industrial properties within the City and its extraterritorial jurisdiction are underlain with unusable groundwater that has become contaminated by historical on-site or off-site sources; and,

WHEREAS, the potable use of groundwater in designated areas should be prohibited to protect public health and welfare when the quality of the groundwater presents an actual or potential threat to public health; and,

WHEREAS, the use of an MSD allows for a State-evaluated corrective action process for groundwater that is directed towards the protection of human health and the environment; and,

WHEREAS, 1171/Old Orchard Limited Partnership, ("Applicant") intends to submit an application to the TCEQ for certification of an MSD for the property located at 1288 West Main Street and 1280 West Main Street, Suite130, a metes and bounds description of which is set forth in Exhibit "A" attached hereto and made a part hereof ("MSD Property"), and said MSD Property is located within the city limits of the City of Lewisville; and,

WHEREAS, the Applicant has certified that the type of known contaminants in the groundwater beneath the MSD property are as set forth in Exhibit "B" attached hereto and made a part hereof; and

WHEREAS, the Applicant has certified to the City that:

1. The purpose of the application is to assist the Applicant in obtaining from the TCEQ closure documentation demonstrating the TCEQ's determination, after completion of any remediation requirements and appropriate review by the TCEQ, that no further environmental cleanup or restoration is required by the TCEQ with respect to the MSD Property; and,
2. As a part of the application, the Applicant has or will submit to the TCEQ a statement regarding the type of known contamination in the groundwater beneath the MSD Property and has identified that shallow groundwater contains chemicals of concern

above Tier 1 groundwater ingestion protective concentration levels, as set forth in 30 Texas Administrative Code, Chapter 350, the Texas Risk Reduction Program; and,

WHEREAS, the Applicant has continuing obligations to satisfy applicable statutory and regulatory provisions concerning groundwater contamination investigation and response actions at the MSD Property; and

WHEREAS, a public drinking water supply system exists that satisfies the requirements of Texas Health and Safety Code Chapter 341 for the MSD Property and property within one-half mile of the MSD Property; and

WHEREAS, the City Council believes it is in the best interest of the public and the City to facilitate the Applicant's efforts to secure an MSD and TCEQ closure documentation by passage of this Ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, THAT:

SECTION 1. The City Council finds the declarations and findings set forth in the preamble of this Ordinance are true and correct and are incorporated herein.

SECTION 2. The City Council finds this ordinance is necessary because the contaminant concentrations exceed TCEQ potable water standards.

SECTION 3. The City Council finds it is in the best interest and welfare of the public to facilitate TCEQ's certification of an MSD for the MSD Property as well as the TCEQ closure documentation.

SECTION 4. Upon and after the effective date of this Ordinance, the drilling of wells and use of designated groundwater for any purpose, including but not limited to any potable purpose, and excepting only: (i) wells used as monitoring wells for the collection of groundwater

samples for chemical or biological laboratory analysis; and (ii) wells used for the purpose of remediation of soil or groundwater contamination, is hereby prohibited on or from any portion of the MSD Property.

SECTION 5. Failure of the Applicant to diligently pursue and obtain from the TCEQ an MSD certificate for the MSD Property and TCEQ closure documentation for the MSD Property shall render this Ordinance voidable by the City Council following 30 days' written notice to the TCEQ and the Applicant.

SECTION 6. REPEALER. Every ordinance or parts of ordinances found to be in conflict herewith are hereby repealed.

SECTION 7. SEVERABILITY. If any section, sentence, clause, or phrase of this ordinance shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining sections, sentences, clauses, or phrases of this ordinance, but they shall remain in effect.

SECTION 8. PENALTY. Any person, firm or corporation who violates any provisions of this Ordinance shall be deemed guilty of a misdemeanor and, upon conviction thereof in the Municipal Court, shall be subject to a fine of not more than $2000.00 for each offense, and each and every day such offense is continued shall constitute a new and separate offense.

SECTION 9. EFFECTIVE DATE. This ordinance shall become effective immediately upon its passage and publication as required by law.

SECTION 10. EMERGENCY. It being for the public welfare that this ordinance be passed creates an emergency and public necessity, and the rule requiring this ordinance be read on three separate occasions be, and the same is hereby waived, and this ordinance shall be in full

force and effect from and after its passage and approval and publication, as the law in such cases provides.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, BY A VOTE OF _____ TO _____, ON THIS THE 7TH DAY OF DECEMBER, 2015.

APPROVED:

_____
Rudy Durham, MAYOR

ATTEST:

_____
Julie Heinze, CITY SECRETARY

APPROVED AS TO FORM:

_____
Lizbeth Plaster, CITY ATTORNEY

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

METES AND BOUNDS DESCRIPTION

14.8584 ACRE PARCEL
LOTS 1R, PART OF 3, 5, 6 & 7, BLOCK A
OLD ORCHARD VILLAGE EAST
CITY OF LEWISVILLE, DENTON COUNTY, TEXAS

BEING All THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE JOHN HALLFORD SURVEY, ABSTRACT NO. 545, CITY OF LEWISVILLE, DENTON COUNTY, TEXAS AND BEING ALL OF LOTS 1R AND 7 OF BLOCK A OF OLD ORCHARD VILLAGE EAST ADDITION, AN ADDITION TO THE CITY OF LEWISVILLE, DENTON COUNTY, TEXAS ACCORDING TO THE PLAT THEREOF RECORDED IN DOCUMENT NO. 2013-226 OF THE OFFICIAL RECORDS OF DENTON COUNTY, TEXAS AND BEING All. OF LOTS 5, 6 AND A PORTION OF LOT 3 OF BLOCK A OF OLD ORCHARD VILLAGE EAST ADDITION, AN ADDITION TO THE CITY OF LEWISVILLE, DENTON COUNTY, TEXAS ACCORDING TO THE PLAT THEREOF RECORDED IN CABINET “E", SLIDE 20 OF THE MAP RECORDS OF DENTON COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT AN "X" FOUND IN CONCRETE IN THE EAST RIGHT-OF-WAY LINE OF OLD ORCHARD LANE (70' RIGHT-OF-WAY), SAID POINT BEING THE SOUTHWEST CORNER OF SAID LOT 7 AND THE NORTHWEST CORNER OF LOT 4 OF BLOCK AOF OLD ORCHARD VILLAGE EAST ADDITION, AN ADDITION TO THE CITY OF LEWISVILLE, DENTON COUNTY, TEXAS ACCORDING TO THE PLAT THEREOF RECORDED IN CABINET "E", SLIDE 20 OF THE MAP RECORDS OF DENTON COUNTY, TEXAS:

THENCE NORTH 00° 24' 00” EAST AND FOLLOWING ALONG THE EAST RIGHT-OF-WAY LINE OF OLD ORCHARD LANE AND PASSING AT A DISTANCE OF 350.50 FEET THE COMMON CORNER OF SAID LOTS 6 AND 7 AND PASSING THE NORTHWEST CORNER OF SAID LOT 6 AND CONTINUING ALONG THE EAST RIGHT-OF-WAY LINE OF OLD ORCHARD LANE, FOR A DISTANCE OF 531.50 FEET TO A POINT FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO MOBILE OIL CORPORATION AND RECORDED IN VOLUME 767, PAGE 965 OF THE DEED RECORDS OF DENTON COUNTY, TEXAS:

THENCE DEPARTING THE EAST RIGHT-OF-WAY LINE OF OLD ORCHARD LANE AND ALONG THE COMMON LINES OF SAID MOBIL OIL CORPORATION TRACT AND LOT 5 THE FOLLOWING COURSES AND DISTANCES NUMBERED (1) THROUGH (3);

1) SOUTH 89° 36' 00” EAST, FOR A DISTANCE OF 137.00 FEET TO A POINT FOR CORNER;

2) NORTH 45° 24' 00" EAST, FOR A DISTANCE OF 21.21 FEET TO A POINT FOR CORNER:

3) NORTH 00° 24' 00" EAST, FOR A DISTANCE OF 158.46 FEET TO AN ALUMINUM TXDOT MONUMENT FOUND FOR CORNER IN THE SOUTH RIGHT-OF-WAY LINE OF WEST MAIN STREET (F.M. ROAD NO. 1171);

THENCE SOUTH 89° 23' 55" EAST AND FOLLOWING ALONG THE SOUTH RIGHT-OF-WAY LINE OF SAID WEST MAIN STREET (F.M. ROAD NO. 1171), FOR A DISTANCE OF 346.57 FEET TO AN ALUMINUM TXDOT MONUMENT FOUND FOR CORNER, SAID POINT BEING IN THE WEST LINE OF LOT 2 OF REPLAT OF WALMART ADDITION, AN ADDITION TO THE CITY OF LEWISVILLE, DENTON COUNTY, TEXAS ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 8, PAGE 115 OF THE MAP RECORDS OF DENTON COUNTY, TEXAS;

THENCE DEPARTING THE SOUTH RIGHT-OF-WAY LINE OF SAID WEST MAIN STREET (F.M. ROAD NO. 1171), AND ALONG THE COMMON LINES OF SAIT LOT 5 OF BLOCK 1 OF OLD ORCHARD VILLAGE EAST ADDITION AND LOT 2 OF REPLAT OF WALMART ADDITION, THE FOLLOWING COURSES AND DISTANCES NUMBERED (4) THROUGH (7);

4) SOUTH 1O° 02' 31" WEST, FOR A DISTANCE OF 48.49 FEET TO A POINT FOR CORNER;

5) SOUTH 00° 15' 00" WEST, FOR A DISTANCE OF 102.00 FEET TO A POINT FOR CORNER;

6) SOUTH 89° 25' 00" EAST, FOR A DISTANCE OF 120.00 FEET TO AN ALUMINUM TXDOT MONUMENT FOUND FOR CORNER;

7) NORTH 00° 15' 00" EAST, FOR A DISTANCE OF 149.79 FEET TO AN ALUMINUM TXDOT MONUMENT FOUND FOR CORNER IN THE AFORESAID SOUTH RIGHT-OF-WAY LINE OF SAID WEST MAIN STREET (F.M. ROAD NO. 1171);

THENCE SOUTH 89° 23' 55" EAST AND FOLLOWING ALONG THE SOUTH RIGHT-OF-WAY LINE OF SAID WEST MAIN STREET (F.M. ROAD NO. 1171), FOR A DISTANCE OF 415.00 FEET TO AN ALUMINUM TXDOT MONUMENT FOUND FOR CORNER IN THE WEST LINE OF A 20' ALLEY;

THENCE SOUTH 00° 15' 00" WEST, AND FOLLOWING ALONG THE WEST LINE OF SAID 20' ALLEY, FOR A DISTANCE OF 58.94 FEET TO A POINT FOR CORNER;

THENCE LEAVING THE WEST LINE OF SAID 20' ALLEY AND ACROSS SAID LOT 3 OF BLOCK A OF OLD ORCHARD VILLAGE EAST ADDITION, THE FOLLOWING COURSES AND DISTANCES NUMBERED (8) THROUGH (12);

8) NORTH 89° 22' 55" WEST, FOR A DISTANCE OF 199.16 FEET TO A POINT FOR CORNER;

9) SOUTH 00° 15' 00" WEST, FOR A DISTANCE OF 95.10 FEET TO A POINT FOR CORNER;

10) SOUTH 89° 22' 55" EAST, FOR A DISTANCE OF 116.42 FEET TO A POINT FOR CORNER;

11) SOUTH 11° 36' 36" EAST, FOR A DISTANCE OF 50.58 FEET TO A POINT FOR CORNER;

12) SOUTH 89° 22' 55" EAST, FOR A DISTANCE OF 72.35 FEET TO A POINT FOR CORNER IN THE WEST LINE OF AFORESAID 20' ALLEY;

THENCE SOUTH 00° 15' 00" WEST AND FOLLOWING ALONG THE WEST LINE OF SAID 20' ALLEY AND ALONG THE WEST LINE OF LOT 1 OF BLOCK A OF FAMILY MEDICAL ASSOCIATES ADDITION, AN ADDITION TO THE CITY OF LEWISVILLE, DENTON COUNTY, TEXAS ACCORDING TO THE PLAT THEREOF RECORDED IN CABINET "D", SLIDE 369 OF THE MAP RECORDS OF DENTON COUNTY, TEXAS, FOR A DISTANCE OF 564.73 FEET TO A POINT FOR CORNER IN THE WEST RIGHT-OF-WAY LINE OF DIANE CIRCLE (50' RIGHT-OF-WAY), SAID POINT BEING THE COMMON CORNER OF SAID AFORESAID LOT 3 AND LOT 2R OF BLOCK A OF OLD ORCHARD VILLAGE EAST ADDITION, AN ADDITION TO THE CITY OF LEWISVILLE, DENTON COUNTY, TEXAS ACCORDING TO THE PLAT THEREOF RECORDED IN DOCUMENT NO. 2013-226 OF THE OFFICIAL RECORDS OF DENTON COUNTY, TEXAS;

THENCE FOLLOWING ALONG THE COMMON LINES OF SAID LOT 3 AND LOT 2R, THE FOLLOWING COURSES AND DISTANCES NUMBERED (13) THROUGH (21):

13) NORTH 89° 45' 00" WEST, FOR A DISTANCE OF 172.00 FEET TO A POINT FOR CORNER;

14) NORTH 00° 15' 00" EAST, FOR A DISTANCE OF 15.00 FEET TO A POINT FOR CORNER;

15) NORTH 89° 45' 00" WEST, FOR A DISTANCE OF 26.16 FEET TO A POINT FOR CORNER;

16) NORTH 00° 15' 00" EAST, FOR A DISTANCE OF 204.00 FEET TO A POINT FOR CORNER;

17) SOUTH 89° 45' 00" EAST, FOR A DISTANCE OF 29.00 FEET TO A POINT FOR CORNER;

18) NORTH 00° 15' 00" EAST, FOR A DISTANCE OF 213.29 FEET TO A POINT FOR CORNER;

19) NORTH 12° 15' 09" WEST, FOR A DISTANCE OF 102.85 FEET TO A POINT FOR CORNER;

20) NORTH 89° 45' co" WEST, FOR A DISTANCE OF 228.57 FEET TO A POINT FOR CORNER;

21) SOUTH 00° 15' 00" WEST, FOR A DISTANCE OF 52.45 FEET TO A POINT FOR CORNER. SAID POINT BEING THE COMMON CORNER OF AFORESAID LOTS 1R AND 2R;

THENCE SOUTH 89° 45' 00" EAST AND FOLLOWING ALONG THE COMMON LINE OF SAID LOTS 1R AND 2R, FOR A DISTANCE OF 40.03 FEET TO A POINT FOR CORNER;

THENCE SOUTH 00° 16' 37" WEST AND FOLLOWING ALONG THE COMMON LINE OF SAID LOTS 1R AND 2R FOR A DISTANCE OF 606.25 FEET TO A POINT FOR THE COMMON CORNER OF SAID LOTS 1R AND 2R AND BEING IN THE NORTH LINE OF A TRACT OF LAND DESCRIBED IN DEED TO AV WILLOW RIDGE LTD AND RECORDED IN DOCUMENT NO. 2008-26988 OF THE OFFICIAL RECORDS OF DENTON COUNTY, TEXAS;

THENCE NORTH 89° 45' 00" WEST AND ALONG THE SOUTH LINE OF SAID LOT 1R AND THE NORTH LINE OF AV WILLOW RIDGE LTD. TRACT , FOR A DISTANCE OF 381.76 FEET TO A POINT FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF SAID LOT 1R AND THE SOUTHEAST CORNER OF AFORESAID LOT 4, BLOCK A OF OLD ORCHARD VILLAGE EAST ADDITION,

THENCE NORTH 00° 15' 01" EAST AND ALONG THE COMMON LINE OF SAID LOTS 1R AND 4, FOR A DISTANCE OF 195.00 FEET TO A POINT FOR CORNER, SAID POINT BEING THE NORTHEAST CORNER OF SAID LOT 4 AND THE SOUTHEAST CORNER OF AFRESAID LOT 7;

THENCE NORTH 89° 45' 00" WEST AND ALONG THE COMMON LINE OF SAID LOTS 4 AND 7, FOR A DISTANCE OF 265.15 FEET TO POINT OF BEGINNING, AND CONTAINING 14.8584 ACRES OF LAND, MORE OR LESS.

EXHIBIT B

CONTAMINANTS

Table 1

Summary of VOCs in Groundwater
Old Orchard East Shopping Center
1280 West Main Street and 1288 West Main Street
Lewisville, Texas 75067
Cirrus Project No. 02-003003.01
Sample results reported in mg/L

Sample ID	Sample Date	Tetrachloroethene (PCE)	Trichloroethene (TCE)	cis-1,2-Dichloroethene	trans-1,2-Dichloroethene	Vinyl Chloride	Methyl Tert-Butyl Ether (MTBE)
Terracon							
MW-1	10/24/12	0.00344	0.00303	0.00067	N/D	N/D	0.0143
MW-2	10/23/12	0.0022	0.00162	0.000250	N/D	N/D	0.0124
MW-3	10/23/12	0.227	0.0732	0.111000	0.008380	0.0136	0.208
MW-4	10/23/12	0.0338	0.01290	0.014600	0.001080	0.00095	0.0712
MW-5	10/23/12	0.3410	0.08910	0.088600	0.003510	0.00375	0.6210
DUP-SW	10/23/12	0.033800	0.077600	0.077500	0.003100	0.003260	0.621000
Nova Consulting							
MW-13	10/5/12	0.320	0.084	0.150	0.012	0.017	0.27
MW-14	10/5/12	0.036	0.011	0.019	0.0016	0.001	0.099
Tier I Res $^{GW}GW_{Ing}$ PCL		0.005	0.005	0.07	0.1	0.002	0.24
Tier I Com/Ind $^{GW}GW_{Ing}$ PCL		0.005	0.005	0.07	0.1	0.002	0.73
Tier I Res $^{GW}GW_{Class3}$ PCL		0.5	0.5	7	10	0.2	24
Tier I Res $^{Air}GW_{Inh-V}$ PCL		500	24	1200	770	3.8	4000

Notes:
N/D = Non-Detectable quantities of contaminants above the lab sample detection limit (SDL)
J = The value is above the method detection limit but below the reporting limit

Concentrations in **bold** exceed applicable PCLs with an MSD in place
NA = Not Analyzed

Municipal Setting Designation (MSD)
1288 West Main Street and
1280 W. Main Street, Suite 102
Lewisville, Texas

Presented on behalf of MSD Applicant
1171/Old Orchard Limited Partnership

by Cirrus Associates, LLC
December 2015

Municipal Setting Designation

- The MSD is requested for the Old Orchard East Shopping Center which was developed in 1979.
- The shopping center owner is 1171/Old Orchard Limited Partnership, which developed the center in 1979 and Cirrus Associates is their consultant.
- Cirrus Associates, L.L.C. is an environmental consultant specializing in environmental issues.

Cirrus

Municipal Setting Designation

- The MSD Statute was enacted by Texas in 2003 with the finding that:
  - restriction of access to and use of affected groundwater advances a substantial and legitimate state interest and protects human health
- The City of Lewisville approved an ordinance establishing a process for approving MSDs on February 16, 2015.

Municipal Setting Designation (cont.)

- MSD ordinances establish a State process for protecting human health and the environment while also promoting the economic welfare of citizens of the city and encouraging the economic development of properties that have affected groundwater.

Cirrus

- MSD applications in the City are reviewed by the City of Lewisville and then by the Texas Commission on Environmental Quality (TCEQ)
- Involves notifications to area Retail Public Utilities (RPUs), cities, and water well owners within statutory distances from the property.
- 4 MSDs have been certified by the TCEQ within Denton County, with one approved by the City of Lewisville and an additional 171 in Dallas and Tarrant counties.

Cirrus

- Upon MSD approval by the City of Lewisville, the RPUs listed below and marked with an * will be contacted for the necessary support for submittal to the TCEQ for certification. The others require notification only as they do not sell water.
  - Creekside Mobile Home Park*
  - Cross Timbers Water Supply Corp*
  - City of Highland Village*
  - Lake Cities Municipal Utility Authority*
  - Northshore Club
  - Twin Coves Marina
  - USCOE Rockledge Park

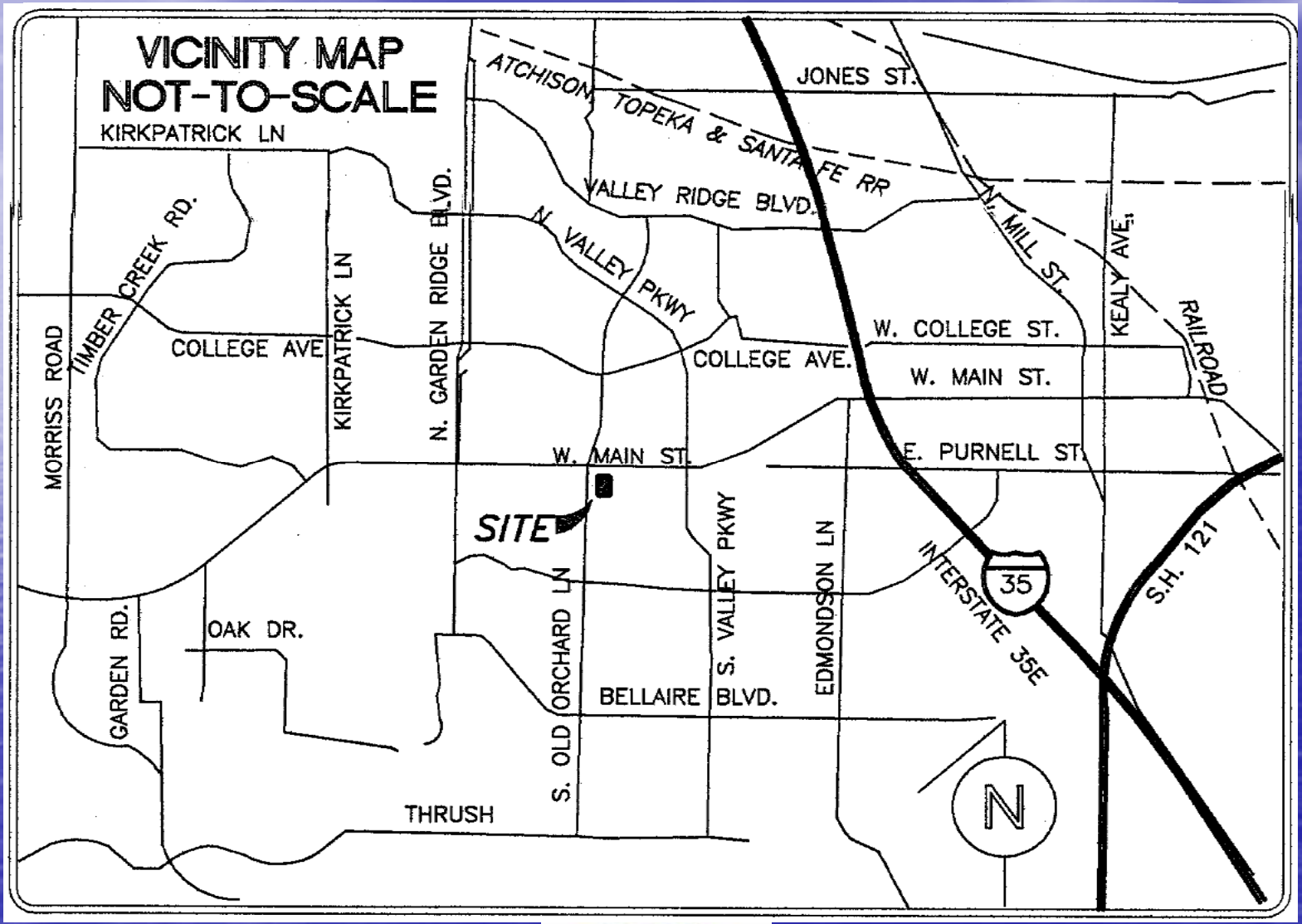
Cirrus

Old Orchard East

- The Shopping Center consists of 14.8584 acres of land developed as a multi-tenant retail center located at southeast corner of Main St and Old Orchard in Lewisville, Texas.
- The Shopping Center is occupied by a Winco Foods store, restaurants and a variety of other shops and stores. The future use of the MSD Designated Property is anticipated to remain commercial retail.

Cirrus

Vicinity Map



Old Orchard East

- The MSD will allow this property to continue improving, thus protecting jobs in and contributing to the City of Lewisville tax base.
- Approval of the MSD will allow for protection of groundwater resources and the public through a restriction on groundwater access and use. **This restriction only applies to the Old Orchard East Shopping Center Property.**

Cirrus

Old Orchard East

- The documented impacts to the Shopping Center are from an adjacent Mobil Station and from former off-site dry cleaners (Value Plus and Heritage Cleaners) in the Old Orchard West Shopping Center across Old Orchard Lane.

Old Orchard East

- A Phase I ESA for the Shopping Center was completed by the City's consultant, Terracon, as part of a Brownfields program on April 20, 2012.
- A subsurface investigation was completed by the City's consultant, Terracon, as part of the Brownfields program on November 2, 2012.

Old Orchard East

- A Voluntary Cleanup Program (VCP) application (VCP No. 2688) was submitted to the TCEQ in 2014 and the VCP project is active with the TCEQ.

- The MSD application was filed with the City of Lewisville on August 21, 2015.

Old Orchard East

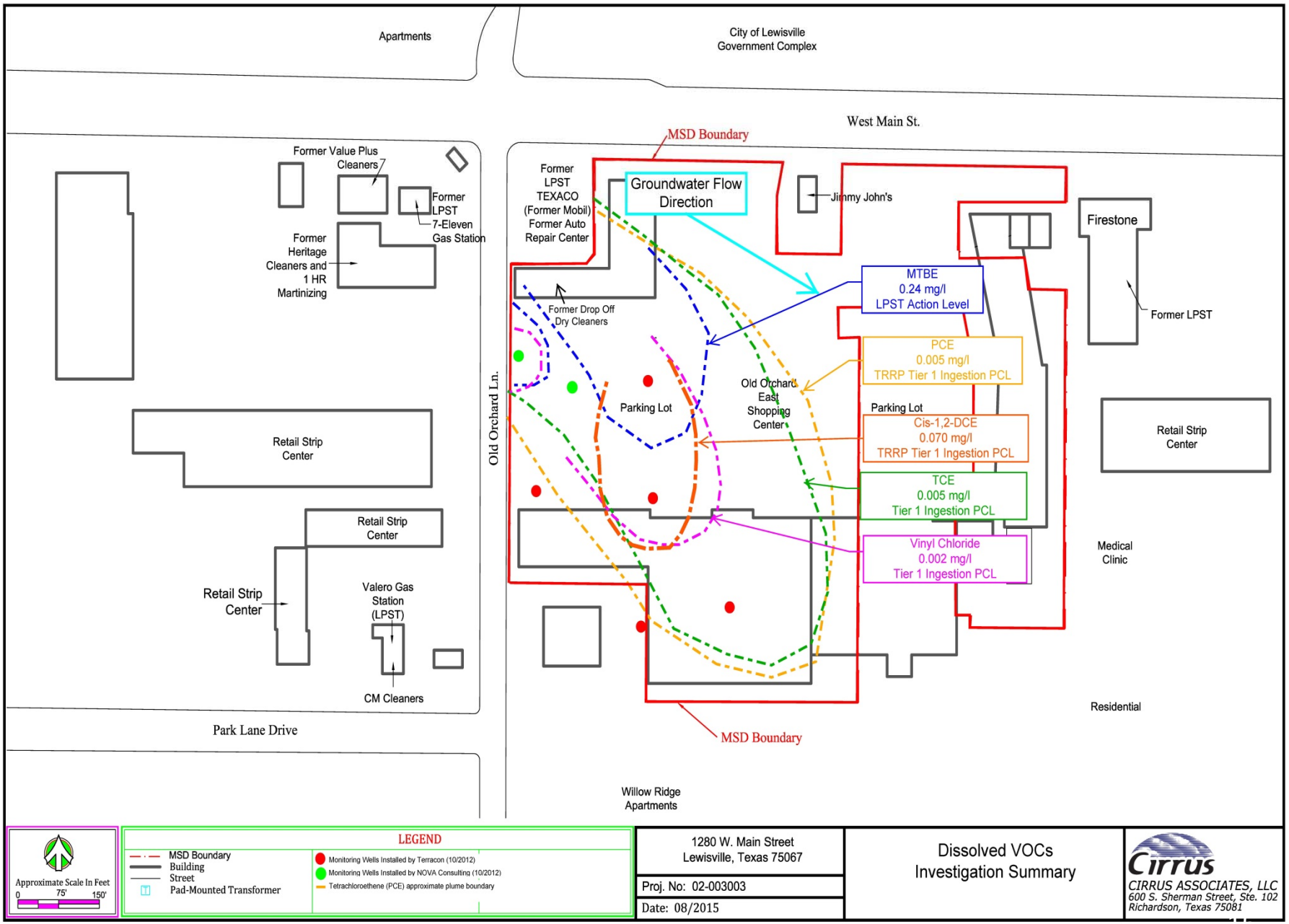
- The MSD will set applicable closure levels for the property as well as protecting the public through a restriction on groundwater access and use on the Old Orchard East shopping center.
- An MSD is critical to obtaining closure through the VCP, as the property is affected by releases from dry cleaners and gas stations, which are located off-site and up gradient.

Cirrus

Old Orchard East

- The compounds that exceed TCEQ PCLs without an MSD are PCE, TCE, cis-1,2-DCE, vinyl chloride and MTBE (fuel additive)
- The concentrations of the dry cleaning and fuel related compounds detected in the soil and groundwater are all well below the applicable State Protective Concentration Levels with an MSD in place.

Cirrus

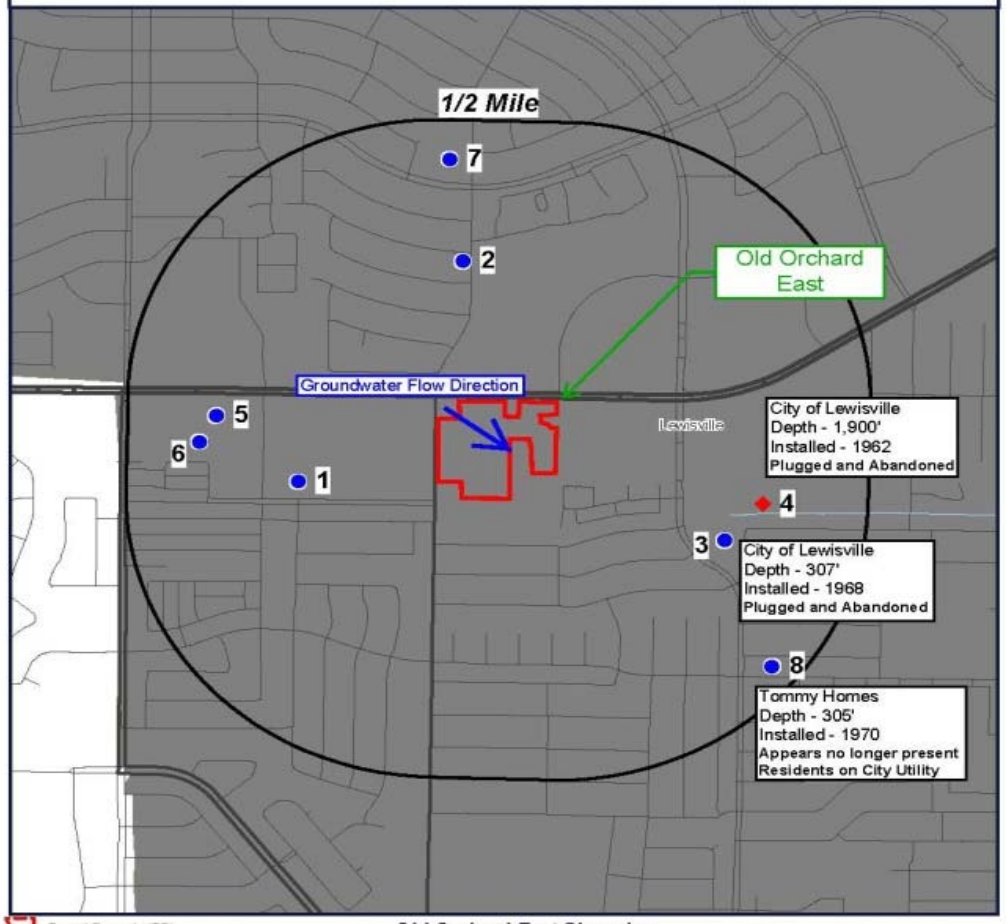

Apartments
City of Lewisville
Government Complex
West Main St.
MSD Boundary
Former Value Plus
Cleaners
Former
LPST
7-Eleven
Gas Station
Former
Heritage
Cleaners and
1 HR
Martinizing
Former
LPST
TEXACO
(Former Mobil)
Former Auto
Repair Center
Groundwater Flow
Direction
Jimmy John's
Firestone
Former LPST
MTBE
0.24 mg/l
LPST Action Level
Former Drop Off
Dry Cleaners
PCE
0.005 mg/l
TRRP Tier 1 Ingestion PCL
Old Orchard
East
Shopping
Center
Parking Lot
Parking Lot
Cis-1,2-DCE
0.070 mg/l
TRRP Tier 1 Ingestion PCL
Retail Strip
Center
Old Orchard Ln.
Retail Strip
Center
TCE
0.005 mg/l
Tier 1 Ingestion PCL
Retail Strip
Center
Vinyl Chloride
0.002 mg/l
Tier 1 Ingestion PCL
Medical
Clinic
Retail Strip
Center
Valero Gas
Station
(LPST)
CM Cleaners
Residential
MSD Boundary
Park Lane Drive
Willow Ridge
Apartments
Approximate Scale In Feet
0
75'
150'
LEGEND
MSD Boundary
Building
Street
Pad-Mounted Transformer
Monitoring Wells Installed by Terracon (10/2012)
Monitoring Wells Installed by NOVA Consulting (10/2012)
Tetrachloroethene (PCE) approximate plume boundary
1280 W. Main Street
Lewisville, Texas 75067
Proj. No: 02-003003
Date: 08/2015
Dissolved VOCs
Investigation Summary
Cirrus
CIRRUS ASSOCIATES, LLC
600 S. Sherman Street, Ste. 102
Richardson, Texas 75081

Old Orchard East

- Eight (8) water wells are located within ½ mile from property with only three (3) in the down to side groundwater gradient direction.
- Two of the down gradient wells are confirmed by the City of Lewisville to be plugged and abandoned. The third well appears to no longer be present and was installed by the developer of the homes in 1970. The property owner is not aware of a well being present today.

Cirrus

1/2 MILE MUNICIPAL SETTING DESIGNATION (MSD) SITE MAP



Target Property (TP)
TCEQ
TWDB

Old Orchard East Shopping Center
1288 W. Main Street
Lewisville, Texas
75067

N W E S

0' 600' 1200' 1800'
SCALE: 1" = 1200'

GeoSearch www.geo-search.com - phone: 888-396-0042 - fax: 512-472-9967

JOB #: 80737 - 6/18/2014

Old Orchard East

- There is limited groundwater present in the upper 30 feet in clay with clay and shale present below the shallow groundwater preventing movement to deeper zones where water wells are typically completed.
- The deeper groundwater zone is not threatened by the affected groundwater.

Old Orchard East

- All of the water wells within ½ mile are completed at depths of at least 265 feet with shale layers protecting the deeper groundwater from the shallow perched water. The down to side gradient wells noted on the earlier map were also at least 300 feet deep with intervening shale layers.
- The other area water wells out to 5 miles are not threatened by the affected groundwater on the MSD property

Cirrus

Old Orchard East

- City of Lewisville obtains drinking water from Lake Lewisville with supplemental water purchased from the City of Dallas.
- Lake Lewisville is located almost two miles to the northeast of the Property and groundwater flow direction on the Property is down to the east-southeast.

Thank You for your Attention!

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Richard E. Luedke, Planning Manager

DATE: December 7, 2015

SUBJECT: **Public Hearing: Consideration of an Ordinance Granting a Special Use Permit (SUP) for a Plant Nursery (Retail Sales) With Outdoor Display and Storage on a Portion of a 10.807-Acre Lot, Legally Described as Lot 1, Block A, Main Valley Shopping Center Addition; Located on the Southwest Corner of West Main Street (FM 1171) and South Valley Parkway; at 1116 West Main Street; and Zoned Local Commercial District (LC), as Requested by Westlake ACE Hardware, the Applicant (Case No. SUP-2015-11-13).**

BACKGROUND

The Special Use Permit (SUP) process allows for consideration of certain uses that may potentially be incompatible or intensely dominate the area in which they are located, but may become compatible with the provision of certain conditions and restrictions. The subject request is to allow the addition of an outdoor garden center/plant nursery in the parking lot in front of the Westlake ACE Hardware that opened in October. The request also includes a merchandise display area in front of the store along the sidewalk. This site is located in the Local Commercial District (LC), which does not allow outdoor display or storage, with the exception of retail plant nurseries with approval of an SUP.

ANALYSIS

Westlake ACE Hardware has leased 11,104 square feet in the Main Valley Shopping Center, which contains a total of 103,839 square feet. The shopping center was built in 1973. The applicant proposes a maximum 4,000 square-foot outdoor garden center with a temporary enclosure for a one year period in order to determine the best size of the garden center based on market response. A permanent enclosure consisting of decorative metal fencing with stone columns is proposed no later than one year after SUP approval. Staff has no objection to this request. A condition has been added to the SUP approval ordinance that requires construction of the permanent enclosure within one year of the SUP approval

The owner of the shopping center has expressed interest in upgrading the façade of the shopping center in phases. Staff has been working with the applicant and the owner on a plan to upgrade the Westlake ACE Hardware façade that would include the addition of cultured stone and stucco along with new suspended metal awnings. At the time of this staff memorandum, the owner has indicated that the plans are underway, but incomplete at this time. The owner intends to submit façade improvement plans as soon as possible. The applicant has indicated that the best time period for a façade renovation would be 12 to 15 months after the SUP approval. Staff has no objection to the proposed façade improvement time frame. Since final plans for the proposed façade upgrade are incomplete at this time, a condition has been added to the SUP approval ordinance that requires the façade improvements to be completed no later than 15 months after SUP approval.

The visual impact of the outdoor garden center from West Main Street will be minimal due to the fact that the bank building fronting West Main Street shields the entire garden center from view. The permanent decorative fencing for the garden center along with the proposed façade improvements will bring forth a significant aesthetic improvement for this site and the general area.

The Planning and Zoning Commission considered this item on November 3, 2015, and recommend unanimous approval (6-0) of the Special Use Permit request with the following conditions:

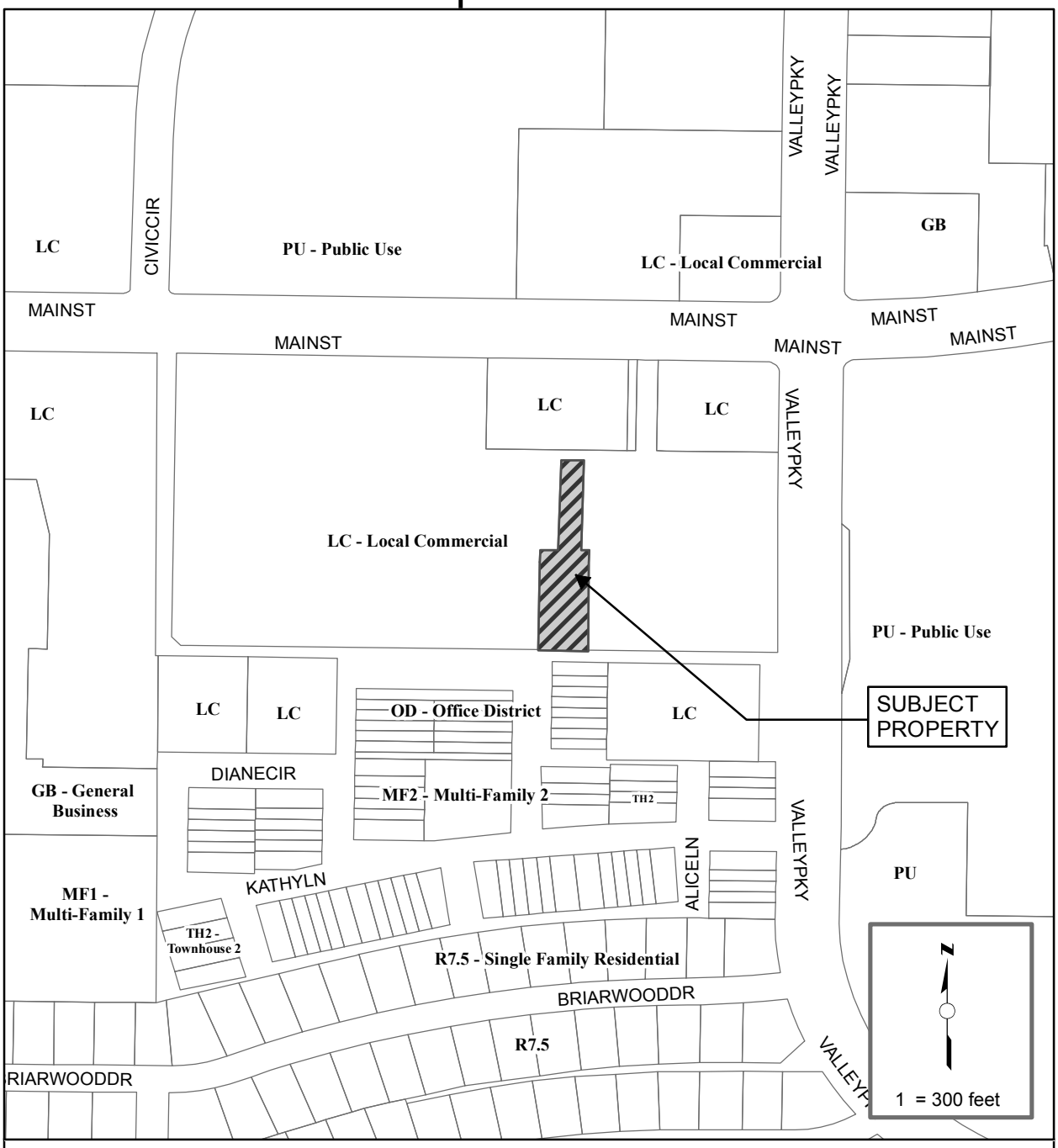
1. The temporary enclosure shall be replaced with a permanent enclosure no later than one year after the approval of the Special Use Permit as outlined in the applicant proposal.

2. The front façade of Westlake ACE Hardware shall be upgraded with a combination of stucco and cultured stone with suspended metal awnings no later than 15 months after approval of the Special Use Permit.

RECOMMENDATION

It is City staff's recommendation that the City Council approve the proposed ordinance as set forth in the caption above.

Location Map - 1116 W. Main St.



CASE NO. SUP-2015-11-13

COMPANY NAME: WESTLAKE HARDWARE INC

PROPERTY LOCATION: 1116 W. MAIN ST (10.807 ACRES)

CURRENT ZONING: LOCAL COMMERCIAL (LC)

REQUESTED USE: A SPECIAL USE PERMIT (SUP) FOR A PLANT NURSERY WITH OUTDOOR DISPLAY OR STORAGE

Location Map - 1116 W. Main St.

SECTION 17-21. - "LC" LOCAL COMMERCIAL DISTRICT REGULATIONS

(a) *Use.* A building or premise shall be used only for indoor, neighborhood office, retail, and services which are primarily retail in nature, including, but not limited to:

(1) Any use permitted in district "OD" as regulated in said district.
(2) Grocery stores.
(3) Barber and beauty shops.
(4) Book, card, gift and stationary stores.
(5) Dry cleaning and laundry services.
(6) Gasoline service stations (SUP required).
(7) Minor automobile services including tune-up and repair services, tire stores and car washes, providing there is no overnight outside storage of vehicles (not including transmission or body shops) (SUP required).
(8) Restaurants.
(9) Florists.
(10) Video rental stores, movie theaters and other indoor amusements.
(11) Church worship facilities.
(12) Buildings and uses owned or operated by public governmental agencies.
(13) Other retail, office and service uses of a similar nature provided that the business establishment supplies the everyday needs of the immediate neighborhood and is subject to the following conditions:
   a. There is no outside display and storage of merchandise or vehicles, except for the incidental and occasional sale of merchandise outside the building for periods not to exceed thirty (30) days (i.e. Christmas tree sales and sidewalk sales, etc.).
   b. That required yards not be used for display, sale or storage of merchandise, or for the storage of vehicles, equipment, containers or waste material.
   c. That such use not be objectionable because of odor, excessive light, smoke, dust, noise, vibration, or similar nuisance.
(14) Temporary buildings for uses incidental to construction work on the premises, which buildings shall be removed upon the completion or abandonment of construction work.
(15) Accessory buildings and uses customarily incidental to any of the above uses, provided that such not be objectionable because of odor, smoke, dust, noise, vibration or similar nuisance.
(16) Private Utility Plants or Sub-stations (including alternative energy) (SUP required).
(17) Cemetery, columbarium, mausoleum and accessory uses (SUP required).
(18) Beverage container recycling collection facility (SUP required).
(19) Kiosks, including water and ice sales (SUP required).
(20) Private stadium/arena/sports field (SUP required).
(21) Communication Towers (SUP required).
(22) Plant Nursery (Retail Sales) (Indoor)
(23) Plant Nursery (Retail Sales) (With Outdoor Display or Storage) (SUP required).

(b) *Height*. No building shall exceed forty-five (45) feet or three (3) stories in height, except that a building may be erected to a height of eighty (80) feet and eight (8) stories if set back from all required yard lines a distance of one (1) foot for each two (2) feet of additional height above forty-five (45) feet. In no event, however, shall the portion of a building located within one hundred fifty (150) feet of any property zoned for residential purposes exceed the height allowed in that residential zoning district.

(c) *Area*.

(1) *Size of yards*.

a. *Front yard*. There shall be a front yard having a minimum depth of twenty-five (25) feet. No parking, storage or similar use shall be allowed in required front yards in district "LC", except that automobile parking will be permitted in such yards if separated by at least twenty-five (25) feet from any residential district.

b. *Side yard*. A side yard of not less than fifteen (15) feet in width shall be provided on the side of a lot adjoining a side street. A side yard of not less than ten (10) feet in

width shall be provided on the side of a lot adjoining a residential district. The required side yard shall be waived when a screening device is installed in accordance with the city's general development ordinance. The building itself can serve as a portion of the screening device when that portion of the building exterior is constructed of the same materials as the screening device. No parking, storage or similar use shall be allowed in any required side yard or in any side street yard adjoining a residential district.

c. *Rear yard*. No rear yard is required, except that a rear yard of not less than twenty-five (25) feet in depth shall be provided upon that portion of a lot abutting or across a rear street from a residential district, except that such yard requirement shall not apply where the property in the residential district also backs up to the rear street. The required rear yard shall be waived when a screening device is installed in accordance with the city's general development ordinance. The building itself can serve as a portion of the screening device when that portion of the building exterior is constructed of the same materials as the screening device.

(2) *Reserved*.

SECTION 17-29.5 - "SUP" SPECIAL USE PERMIT

(a) *Purpose.*

The special use permit (SUP) provides a means for evaluating land uses identified in this ordinance to ensure compatibility with adjacent properties. The intent of the special use permit process is to allow consideration of certain uses that would typically be incompatible or intensely dominate the area in which they are located, but may become compatible with the provision of certain conditions and restrictions.

(b) *Application submittal and approval process.*

(1) Application for an SUP shall be processed like an application for rezoning. An application shall not be complete and shall not be scheduled for a public hearing unless the following are submitted along with the application:

a. A scaled development plan depicting the items listed in Section 17-29.5(b)(2);
b. A meets and bounds description of the property boundary;
c. A narrative explaining how the property and use(s) will function;
d. Colored elevations of the building and other structures including dimensions and building materials;
e. A Landscaping Plan, meeting the requirements of Section 6-124 of the Lewisville Code of Ordinances;
f. A Tree Survey and Mitigation Plan if required by Section 6-125 of the Lewisville Code of Ordinances;
g. Detailed elevations and descriptions of proposed signage;
h. An exhibit illustrating any requested variances; and
i. Any other information, drawings, operating data or expert evaluations that city staff determines are necessary to evaluate the compatibility criteria for the proposed use and development.

(2) The development plan submitted along with an SUP application must include the following:

a. The layout of the site;
b. A north arrow;
c. A title block including project name, addition, lot, block, acreage, and zoning classification of the subject property;
d. Name, address, and phone number for applicant, developer, owner, builder, engineer, and/or surveyor;
e. Building location, property lines, and setbacks;
f. Summary tables listing building square footage, required parking, and required landscaping;
g. Locations of utility easements, if applicable;
h. Zoning and ownership of adjacent properties;
i. Easements, deed restrictions, or encumbrances that impact the property;
j. Median openings, traffic islands, turning lanes, traffic signals, and acceleration and deceleration lanes;
k. Streets, alleys, and easements adjacent to the site;
l. Driveways and sidewalks;
m. Parking configuration, including maneuvering lanes and loading areas;
n. Location and details of dumpsters and screening devices; and
o. Location of all proposed signage.

(3) Variances from the regulations of the city's General Development Ordinance may be granted at the discretion of the city council as part of the SUP approval. The granting of an SUP has no effect on uses permitted by right and does not waive the regulations of the underlying zoning district.

(4) The planning and zoning commission or the city council may require additional information or drawings, operating data or expert evaluation or testimony concerning the location and characteristics of any building or uses proposed.

(5) The planning and zoning commission, after holding a public hearing, shall recommend to the city council approval or denial of each SUP along with any recommended conditions. The city council shall review each case on its own merit, apply the compatibility criteria established herein, and if appropriate, grant the special use permit for said use(s).

(6) Completion of a development plan for the SUP does not waive the requirement to provide an engineering site plan in accordance with the General Development Ordinance.

(c) *Compatibility criteria for approval.*

The planning and zoning commission shall not recommend approval of, and the city council shall not grant an SUP for a use except upon a finding that the use will:

(1) complement or be compatible with the surrounding uses and community facilities and any adopted comprehensive plans or small area plans;

(2) contribute to, enhance, or promote the welfare of the area of request and adjacent properties;

(3) not be detrimental to the public health, safety, or general welfare; and

(4) conform in all other respects to all zoning regulations and standards.

(d) *SUP conditions.*

The planning and zoning commission may recommend and the city council may adopt reasonable conditions upon the granting of an SUP consistent with the purpose and compatibility criteria stated in this section. The development plan, however, shall always be attached to and made a condition of the SUP. The other documents submitted with the SUP application may also be made conditions of the SUP.

(e) *Amendments, enlargement, modifications or structural alterations.*

(1) Except for minor amendments, all amendments, enlargements, modifications or structural alterations or changes to the development plan shall require the approval of a new SUP. The city manager or his designee may authorize minor amendments to the development plan that otherwise comply with the SUP ordinance and the underlying zoning and do not:

a. Alter the basic relationship of the proposed development to adjacent property;
b. Increase the maximum density or height shown on the original development plan;
c. Decrease the number of off-street parking spaces shown on the original development plan; and/or
d. Reduce setbacks at the boundary of the site as specified by a building or setback line shown on the original development plan.

(2) For purposes of this subsection, "original development plan" means the earliest approved development plan that is still in effect, and does not mean a later amended development plan. For example, if a development plan was approved with the specific use permit and then amended through the minor amendment process, the original development plan would be the development plan approved with the specific use permit, not the development plan as amended through the minor amendment process. If, however, the development plan approved with the specific use permit was replaced through the zoning process, then the replacement development plan becomes the original development plan. The purpose of this definition is to prevent the use of several sequential minor amendments to circumvent the zoning amendment process.

(3) Although the city manager or his designee has the authority to grant minor amendments to the development plan, they are not obligated to do so. The city manager or his designee shall always maintain the discretion to require city council approval if he feels that it is within the public's interest that city council consider the amendment, enlargement, modifications, or structural changes at a public hearing.

(f) *Compliance mandatory with written requirements.*

(1) No special use permit shall be granted unless the applicant, owner, and grantee shall be willing to accept and agree to be bound by and comply with the written requirements attached to the development plan drawings and approved by the city council.

(2) A special use permit shall be transferable from one owner or owners of the subject property to a new owner or occupant of the subject property, however all regulations and conditions of the SUP shall remain in effect and shall be applicable to the new owner or occupant of the property.

(g) *Timing.*

All development plans submitted for review will be on the city's active list for a period of 90 days from the date of each submittal. After the 90-day period, a project will be considered abandoned and removed from the file. A building permit shall be applied for and secured within 180 days from the time of approval of the special use permit provided that the city may allow a one-time extension of the SUP for another 180 days. A SUP shall expire six months after its approval or extension date if no building permits have been issued for the site or if a building permit has been issued but has subsequently lapsed. Work must be completed and operations commenced within 18 months of approval.

(h) *Zoning map.*

When the city council authorizes granting of a special use permit the official zoning district map shall be amended according to its legend to indicate that the affected area has conditions and limited uses, said amendment to indicate the appropriate zoning district for the approved use, and suffixed by an "SUP" designation. A log of all special use permits shall be kept by the city.

(i) *Rescind and terminate a special use permit.*

City council may rescind and terminate an SUP after a public hearing if any of the following occur:

(1) That one or more of the conditions imposed by the SUP has not been met or has been violated.

(2) The SUP was obtained through fraud or deception.

(3) Ad valorem taxes on the property are delinquent by six months or more.

(4) Disconnection or discontinuance of water and/or electrical services to the property.

(5) Abandonment of the structure, lease space, lot, or tract of land for 180 days or more. (For the purpose of this section, "abandon" shall mean to surrender occupancy by vacating or ceasing to operate or inhabit such property.)

MINUTES
PLANNING AND ZONING COMMISSION
NOVEMBER 3, 2015

Item 1:

The Lewisville Planning and Zoning Commission meeting was called to order at 6:30 p.m. Members present: James Davis (Chairman), Brandon Jones, Mary Ellen Miksa, Steve Byars, Alvin Turner and Kristin Green. Member Sean Kirk was absent.

Staff members present: Nika Reinecke, Director of Economic Development and Planning; Richard Luedke, Planning Manager; Mary Paron-Boswell, Senior Planner and June Sin, Planner.

Item 4:

Public Hearings for Zoning and Special Use Permits were next on the agenda.

C. Consideration of a Special Use Permit (SUP) for a Plant Nursery with Outdoor Display and Storage on a Portion of a 10.807-Acre Lot, Legally Described as Lot 1, Block A, Main Valley Shopping Center Addition; Located on the Southwest Corner of West Main Street (FM 1171) and South Valley Parkway; at 1116 West Main Street; and Zoned Local Commercial District (LC); as Requested by Westlake ACE Hardware, the Applicant. (Case No. SUP-2015-11-13).

Richard Luedke, Planning Manager, gave a brief presentation on the Special Use Permit request. He indicated that the temporary enclosure for the proposed outdoor display and storage would be allowed for 12 months, then resized based on market conditions and reconstructed with permanent materials. Staff is working with the owner of the shopping center for façade upgrades. Staff recommends approval of the SUP with two conditions: 1. That the temporary enclosure shall be replaced with a permanent enclosure no later than one year after the approval of the SUP; and 2. The front façade of Westlake ACE Hardware shall be upgraded with a combination of stucco and cultured stone with a suspended metal awning no later than 15 months after the approval of the SUP.

Loren Casey, the applicant was present to address questions from the commission members. Chairman Davis asked about the impact on parking and onsite traffic patterns. Mr. Luedke answered that the shopping center has sufficient number of parking and the 22 parking spaces removed for the outdoor display and storage area will be added back at the rear of the building. Member Kristin Green asked if items stored in this area varied, since pictures showed not only plants but also bags of mulch and other landscaping material. The applicant explained that this is subject to the both the season and the market demands for that area. Items vary from flowers in the spring to mulch, brick and other materials throughout the year. Member Steve Byars asked if this store will look similar to the one in Coppell. The applicant answered no. Chairman Davis opened the public hearing. There being no one else present to speak on the item, the public hearing was closed. *A motion was made by Brandon Jones to recommend approval of the Special Use Permit, seconded by Steve Byars. The motion passed unanimously (6-0).*

RECEIVED AUG 2 8 2015

LAWRENCE

This Section (Office Use Only)	
Case:	
PZ:	CC:
Sign/s Picked Up By:	

SPECIAL USE PERMIT (SUP) APPLICATION

Owner/s (name): Main Valley Realty, Ltd
Company Name:
Mailing Address: 15400 Knoll Trail, Ste 350, Dallas, Tx 75248
Work #: 972-960-2003 Cell #:
E-Mail: ordacorp-gena@yahoo.com
Owner Signature: Date: 8/13/15
Printed Name: MainValley Realty, Ltd by David Salomon, Managing Member

Applicant/Agent (name): Jenna Bobrukiewicz
Company Name: Westlake Hardware, Inc.
Mailing Address: 14000 Marshall Drive, Lenexa, KS 66215
Work #: 913·888·8438 x2279 Cell #: 913·219·2281
E-Mail: jennab@westlakehardware.com
Applicant/Agent Signature: Date: 8/26/15
Printed Name: Jenna Bobrukiewicz

Current Zoning: LC Requested Zoning: Acres:
Legal Description (Lot/ Block/Tract/Abstract: Main Valley Shopping Center Lot 1 Block A
Address/Location 1116 W. Main Street

Application and Sign Fees

	Less than 1/2 acre	$ 150.00
	1/2 acre up to 4.99 acres	$ 250.00
X	5 acres up to 24.99 acres	$ 400.00

	25 acres up to 49.99 acres	$ 750.00
	50 acres up to 99.99 acres	$1,000.00
	100 acres and more	$1,500.00

Qty 2	SUP Signs - $35 each. 1 sign required for each 5 acres (max. 5 per site)	$ 70

Sign(s) must be posted a minimum of ten (10) days prior to the Planning & Zoning hearing date

Amount Due (application & sign fee)	$ 470.00

Check #187266

LEWISVILLE

REQUIRED:

Fully describe the plans for the property

Please see attached Summary and presentation materials.

NOTE:

Items must be staff approved and deemed complete before they will be placed on an agenda.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS AMENDING THE ZONING ORDINANCE OF THE CITY OF LEWISVILLE, TEXAS BY GRANTING A SPECIAL USE PERMIT FOR A PLANT NURSERY (RETAIL SALES) WITH OUTDOOR DISPLAY AND STORAGE ON A PORTION OF A 10.807-ACRE LOT, LEGALLY DESCRIBED AS LOT 1, BLOCK A, MAIN VALLEY SHOPPING CENTER ADDITION; LOCATED ON THE SOUTHWEST CORNER OF WEST MAIN STREET (FM 1171 AND SOUTH VALLEY PARKWAY AND ZONED LOCAL COMMERCIAL DISTRICT (LC); PROVIDING FOR SEVERABILITY; PROVIDING A PENALTY; PROVIDING A REPEALER; PROVIDING AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

WHEREAS, applications were made requesting approval of a Special Use Permit for a plant nursery (retail use) with outdoor display and storage by making applications for same with the Planning and Zoning Commission of the City of Lewisville, Texas, as required by state statutes and the Zoning Ordinances of the City of Lewisville, Texas; and said Planning and Zoning Commission has recommended that the Special Use Permit a portion of on the 10.807-acre lot, as described in the attached Exhibit "A" (the "Property"), be **approved**; and

WHEREAS, this application for a Special Use Permit comes before the City Council of the City of Lewisville, Texas (the "City Council") after all legal notices, requirements, conditions and prerequisites have been met; and

WHEREAS, the City Council at a public hearing has determined that the proposed use, subject to the condition(s) stated herein: (1) complements or is compatible with the surrounding uses and community facilities; (2) contributes to, enhances, or promotes the welfare of the area of

request and adjacent properties; (3) is not detrimental to the public health, safety, or general welfare; and (4) conforms in all other respects to all zoning regulations and standards.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, THAT:

SECTION 1. FINDINGS INCORPORATED. The findings set forth above are incorporated into the body of this ordinance as if fully set forth herein.

SECTION 2. SPECIAL USE PERMIT GRANTED. Subject to the conditions provided for herein, applicant is granted a Special Use Permit to allow a plant nursery (retail sales) with outdoor display and storage on the Property, which is zoned Local Commercial (LC).

SECTION 3. CONDITIONS OF SPECIAL USE PERMIT. The Property shall be developed and maintained:

1. in compliance with the narrative and development plan, attached hereto as Exhibit "B";
2. in accordance with all federal, state, and local laws and regulations;
3. by maintaining the temporary enclosure outlined in Exhibit B until a permanent enclosure is constructed and constructing a permanent enclosure as outlined in Exhibit B no later than one year after the approval of the Special Use Permit, ; and
4. by upgrading the front façade of Westlake ACE Hardware with a combination of stucco and cultured stone with suspended metal awnings no later than 15 months after the approval of the Special Use Permit.

SECTION 4. CORRECTING OFFICIAL ZONING MAP. The City Manager, or her designee, is hereby directed to correct the official zoning map of the City of Lewisville, Texas, to reflect this Special Use Permit.

SECTION 5. COMPLIANCE WITH ALL OTHER MUNICIPAL REGULATIONS. The Property shall comply with all applicable municipal ordinances, as amended. In no way shall this Special Use Permit be interpreted to be a variance to any municipal ordinance.

SECTION 6. RESCINDING AND TERMINATION. The City Council may rescind and terminate the Special Use Permit after a public hearing if any of the following occur:

1. One or more of the conditions imposed by the Special Use Permit have not been met or have been violated.
2. The Special Use Permit was obtained through fraud or deception.
3. Ad valorem taxes on the property are delinquent by six months or more.
4. Disconnection or discontinuance of water and/or electrical services to the property.
5. Abandonment of the structure, lease space, lot, or tract of land for 180 days or more.

SECTION 7. REPEALER. Every ordinance or parts of ordinances found to be in conflict herewith are here by repealed.

SECTION 8. SEVERABILITY. If any section, sentence, clause, or phrase of this ordinance shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining sections, sentences, clauses, or phrases of this ordinance, but they shall remain in effect.

SECTION 9. PENALTY. Any person, firm or corporation who violates any provisions of this Ordinance shall be deemed guilty of a misdemeanor and, upon conviction thereof in the Municipal Court, shall be subject to a fine of not more than $2,000.00 for each offense, and each and every day such offense is continued shall constitute a new and separate offense.

SECTION 10. EFFECTIVE DATE. This Ordinance shall take effect and be in full force and effect from and after the date of its passage and publication as required by law.

SECTION 11. EMERGENCY. It being for the public welfare that this Ordinance be passed creates an emergency and public necessity and the rule requiring this Ordinance be read on three separate occasions be, and the same is hereby, waived and this Ordinance shall be in full force and effect from and after its passage and approval and publication, as the law in such cases provides.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, BY A VOTE OF _____ TO _____, ON THIS THE 7TH DAY OF DECEMBER, 2015.

APPROVED:

_____
Rudy Durham, MAYOR

ATTEST:

_____
Julie Heinze, CITY SECRETARY

APPROVED AS TO FORM:

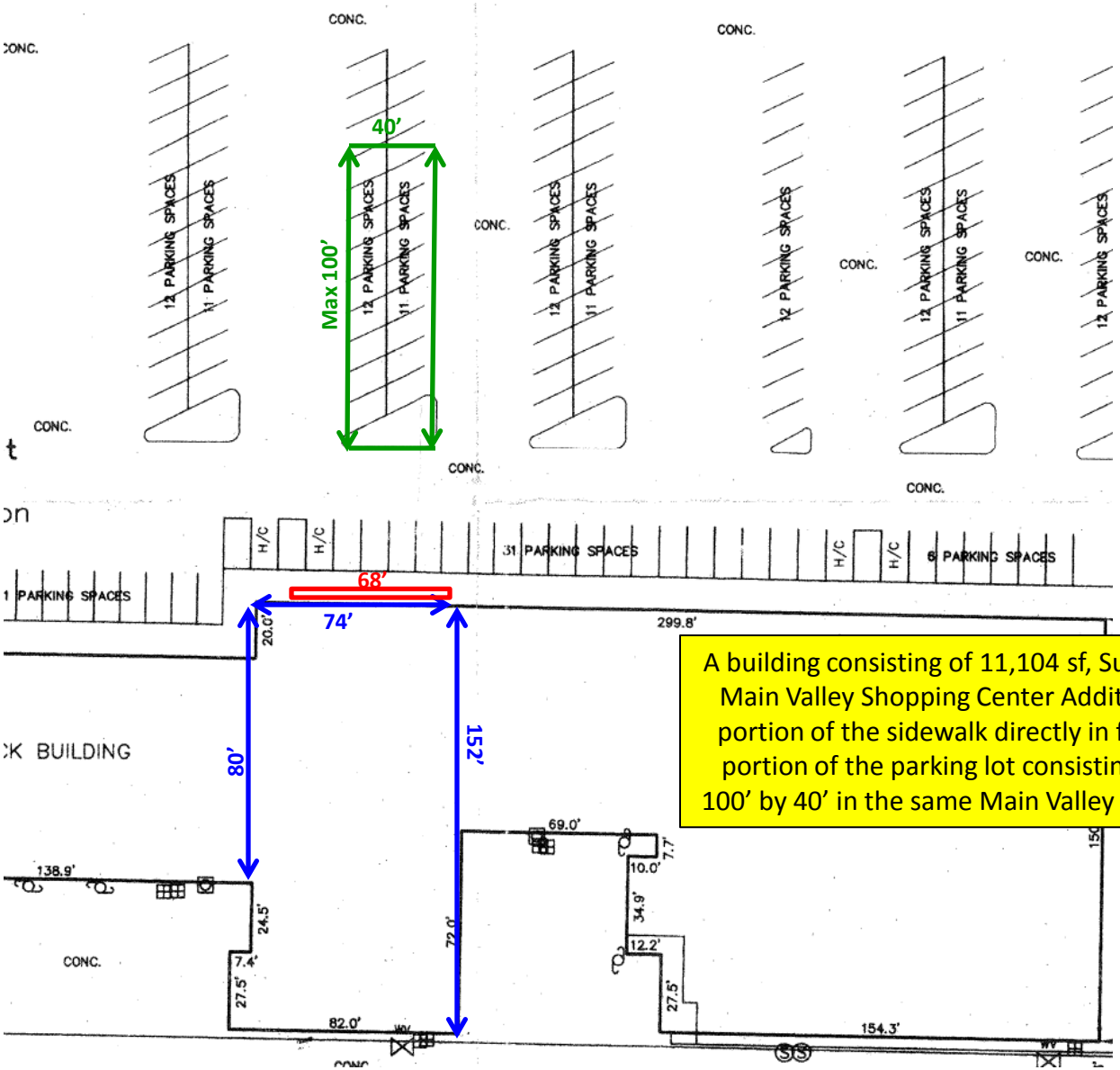
_____
Lizbeth Plaster, CITY ATTORNEY

Exhibit A
Property Description

Exhibit B
SUP Narrative
Development Plan

EXHIBIT A

BOUNDARY DESCRIPTION



A building consisting of 11,104 sf, Suite 1116, a portion of the Main Valley Shopping Center Addition, Lot 1, Block A and a portion of the sidewalk directly in front of Suite 1116 and a portion of the parking lot consisting of a maximum area of 100' by 40' in the same Main Valley Shopping Center Addition

EXHIBIT B

NARRATIVE
SUMMARY

Request: Special Use Permit for outdoor merchandise display and sales area
Address: 1116 W. Main Street
Lot Size: a portion less than ½ acre of the 10.81 acre Main Valley Shopping Center Addition Lot 1, Block A
Applicant: Westlake Hardware, Inc. dba Westlake ACE Hardware

Existing Conditions:
This site is located on the southwest corner of W. Main Street and S. Valley Pkwy, in the existing Main Valley Shopping Center, Lot 1, Block A. This site is zoned LC – Local Commercial. The LC allows for a variety of local retail uses.

Westlake Ace Hardware recently opened a retail hardware store at 1116 W. Main Street. The operating hours for the store are as follows: Monday through Saturday: 7:30 am to 9:00 pm; Sunday: 9:00 am to 6:00 pm.

As a major part of the business plan for this store, the applicant is requesting the opportunity for special use of a portion of the parking lot and sidewalk for outdoor sales merchandise display and storage. These areas include:
a. outdoor merchandise display and storage area in the parking lot, directly North in front of the existing store, limited to 4,000 sf of display area or less.
b. a portion of the sidewalk along the storefront.

Outdoor Merchandise Display and Sales:
Please see the included Development Plan and accompanying documents for details. The proposed outdoor display and sales area is located in the existing parking lot, in front of the Westlake Ace Hardware store front. This area is an adjustable space that is comprised of a total of 4,000 square feet or less of existing parking spaces, not to encroach on the existing drive lanes. Merchandise to be displayed will consist of seasonal nursery merchandise, such as plants, flowers, live goods; as well as bagged goods, such as mulches; and hardscapes, such as pavestones; pottery; gardening supplies; and other products typically found at nurseries and lawn & garden centers. The outdoor display and sales area will be utilized year round. For the first year after such SUP is approved for use, the perimeter around the outdoor display area will be fenced with temporary fencing to accommodate fluctuations in size and capacity necessary, depending on the demand of the various seasons. (For example, Spring may require the maximum 4,000 sf of display area, while Summer and Fall have fewer live goods and the display area may be condensed, and Winter display of Christmas trees may then re-expand, while still staying within the maximum 4,000 sf.) During this first year, the area will be secured with a 6' tall black welded wire fence, which has a wrought iron look. Fence panels will open up as an open gate for easy access for shopping and loading during open business hours and will be locked when the business is closed. The proposed outdoor merchandise display and sales area is skillfully laid out and designed to create a beautiful space providing pedestrian connectivity to enjoy outside shopping for seasonal items and an easy loading area for bulk bagged goods. Applicant's ability to offer a wide selection of the outdoor displayed merchandise will contribute to sustaining the attractive appearance and value of Lewisville neighborhoods. After one

calendar year of use of the temporary outdoor display and sales area, should applicant continue to use the area for this special use, a permanent structure will be constructed and installed, using 6' decorative fencing such as wrought iron or tubular steel and a minimum of four columns positioned around the perimeter of the permanent outdoor display and sales area. The number and placement of columns will be dependent upon the final determined size of the outdoor display and sales area. For a permanent area that is less than 70 feet in length, there will be 4 columns installed, one at each corner. For a permanent area that has greater than 70 feet in length, there will be a column installed at each corner, plus a minimum of one column installed midway along each of the two long sides of the permanent fence. Placement of the columns is subject to architectural drawings. Materials used for the permanent structure will be consistent with the materials that the property owner uses for the proposed façade improvement, which currently includes "fossil reef" cultured stone accents.

The proposed sidewalk display area will be located directly in front of the applicant's storefront adjacent to the building, under the existing canopy and will contain live goods, planters, bagged goods, patio décor, and other items for sale. The products in this area will fluctuate based on the store's inventory and retail needs. This display area will be set back against the building, leaving a clear, unobstructed area for pedestrian access.

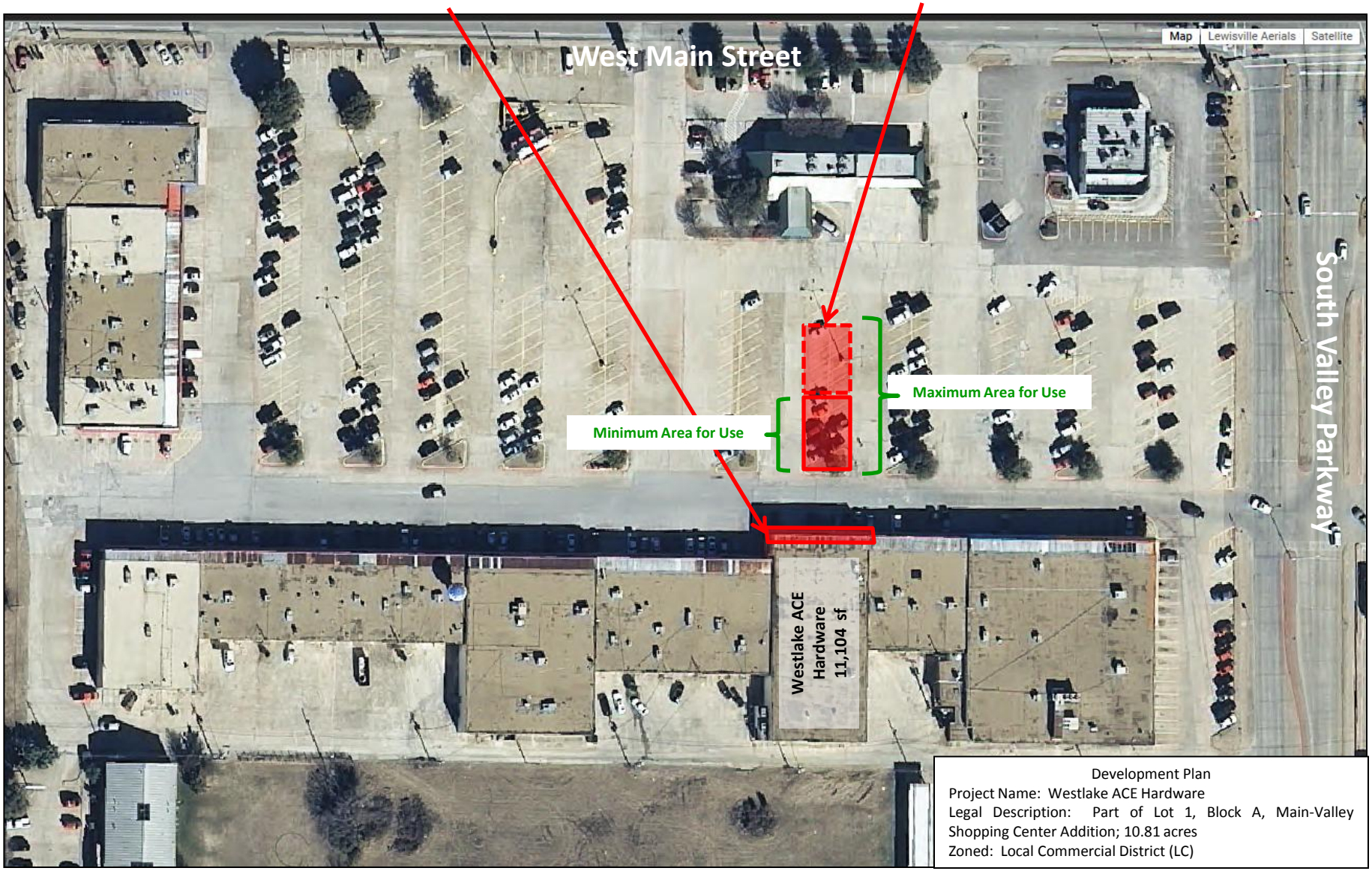
Facade:
The owner of the property is currently working with the city to upgrade the façade of the shopping center. Westlake Ace Hardware is committed to working with the owner to encourage its façade to be upgraded within the next 12-18 months, assuming owner receives approval from the city and construction work is not performed during Westlake's peak outdoor selling season in the Spring.

Parking:
The proposed outdoor merchandise display and sales area will impact the existing parking, but the proposed site still provides adequate parking for the store and other tenants. The proposed special use permit area will affect approximately 20 parking spaces. The shopping center is a total of 105,190 square feet with 505 total parking spaces. Staff has revised the parking calculation for the shopping center, assuming half office use requiring 211 parking spaces, and half retail use requiring 290 parking spaces, for a total of 501 parking spaces. The parking spaces occupied by the outdoor display and sales area will be relocated and made available at the rear of the shopping center for staff and employee parking to maintain the required number of 501 total parking spaces.

Landscaping:
The proposed SUP will not affect the existing landscaping at the Main Valley Shopping Center. Attached is a current Landscape Development showing existing landscaping.

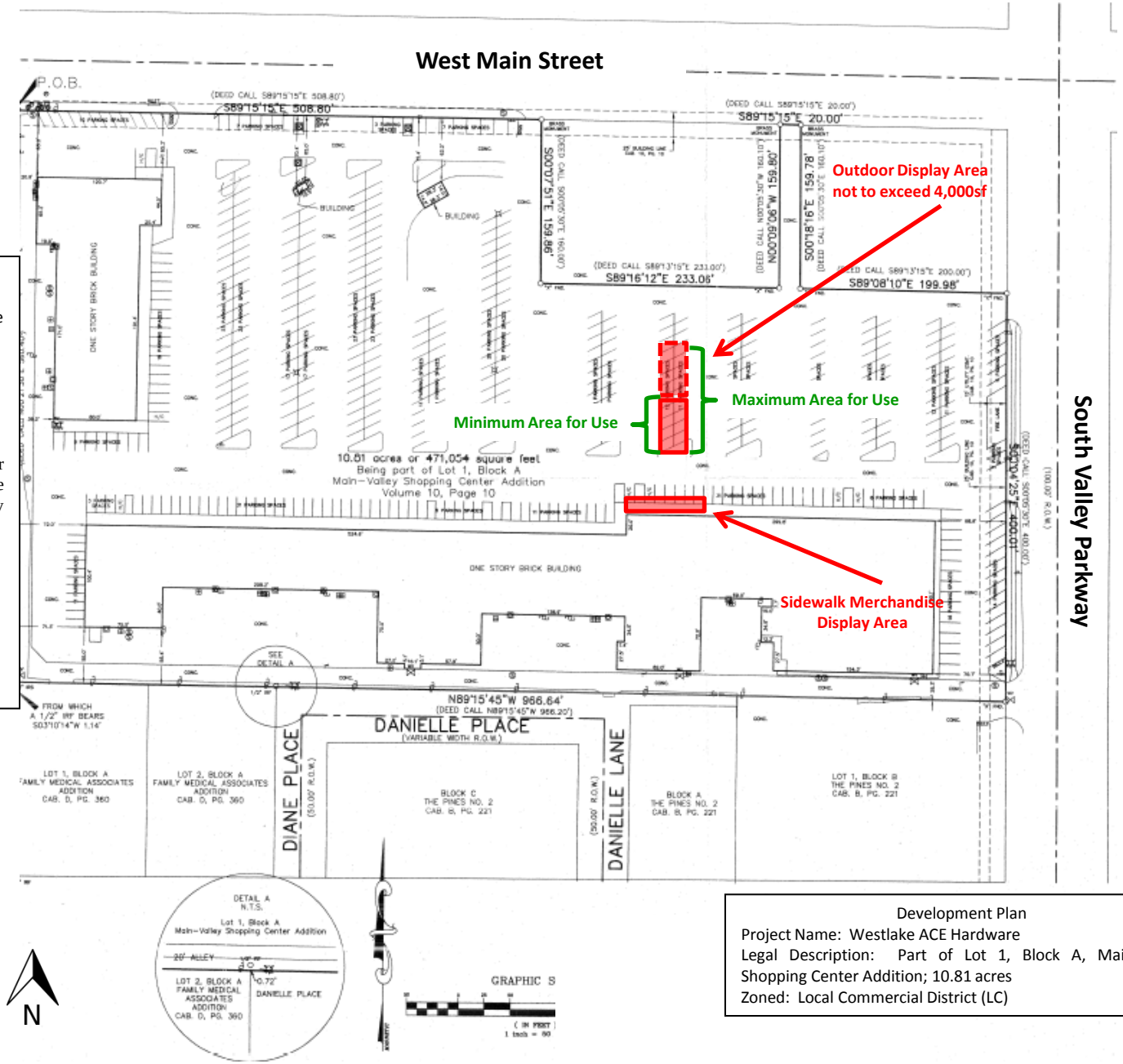
SUP Layout:
Please refer to the attached Development Plan showing further details and examples of proposed use.

DEVELOPMENT PLAN



Development Plan
Project Name: Westlake ACE Hardware
Legal Description: Part of Lot 1, Block A, Main-Valley Shopping Center Addition; 10.81 acres
Zoned: Local Commercial District (LC)

DEVELOPMENT PLAN



Summary Table
Bldg. Square Footage: 105,190 S.F.
Required Landscape: See attached landscape plan
Parking Spaces Required: 501
Parking Spaces Provided: 505

Notes:

•20 parking spaces will be relocated to the rear of the shopping center to accommodate the proposed plant nursery with outdoor display and storage.

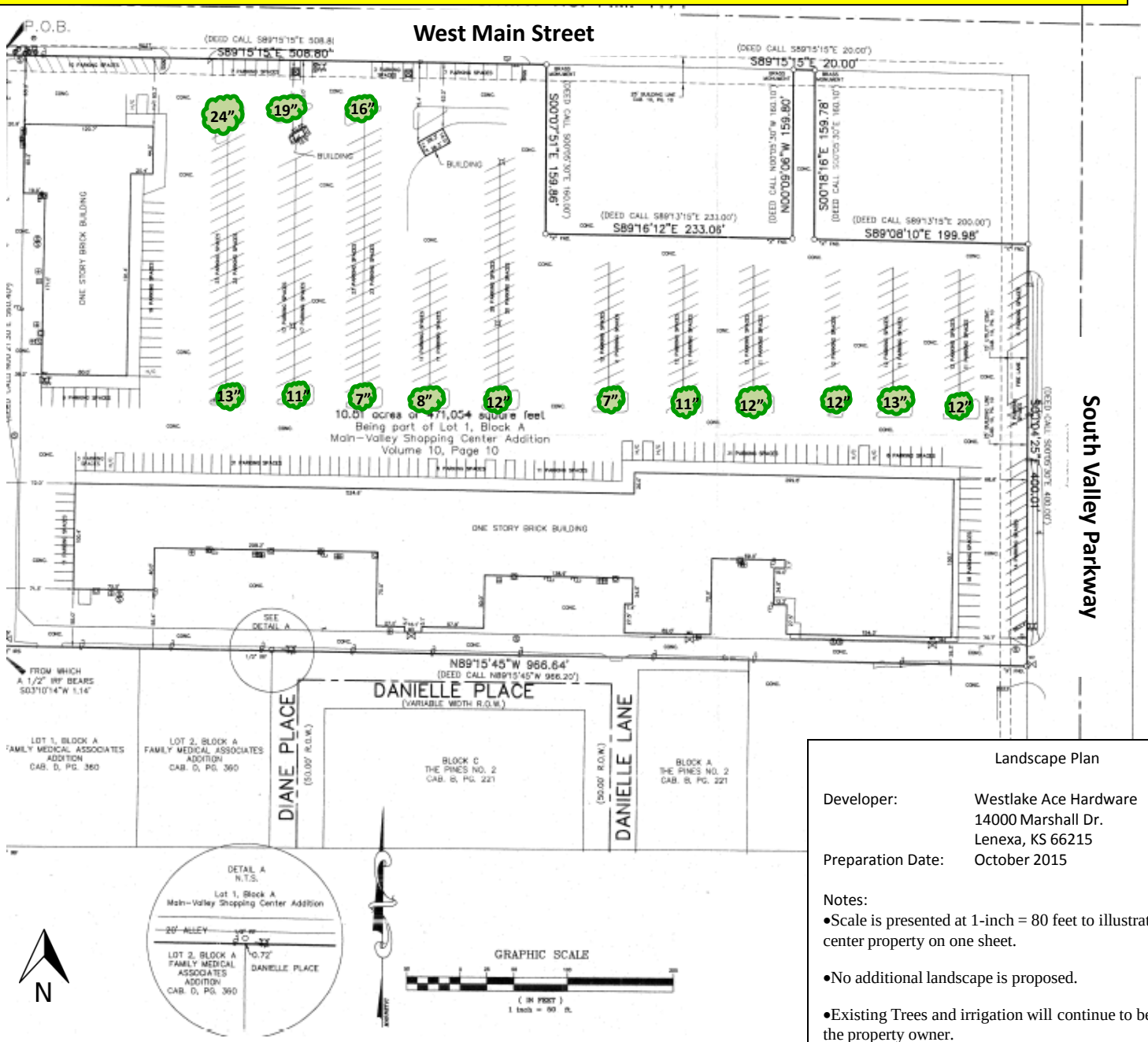
•Existing dumpsters are located at the rear of the shopping center. No additional screening proposed.

•Existing signage to remain. Future signage will meet all sign requirements at time of sign permit.

Development Plan
Project Name: Westlake ACE Hardware
Legal Description: Part of Lot 1, Block A, Main-Valley Shopping Center Addition; 10.81 acres
Zoned: Local Commercial District (LC)

EXISTING LANDSCAPE PLAN

Existing Live Oak Trees at diameters as indicated



Landscape Plan

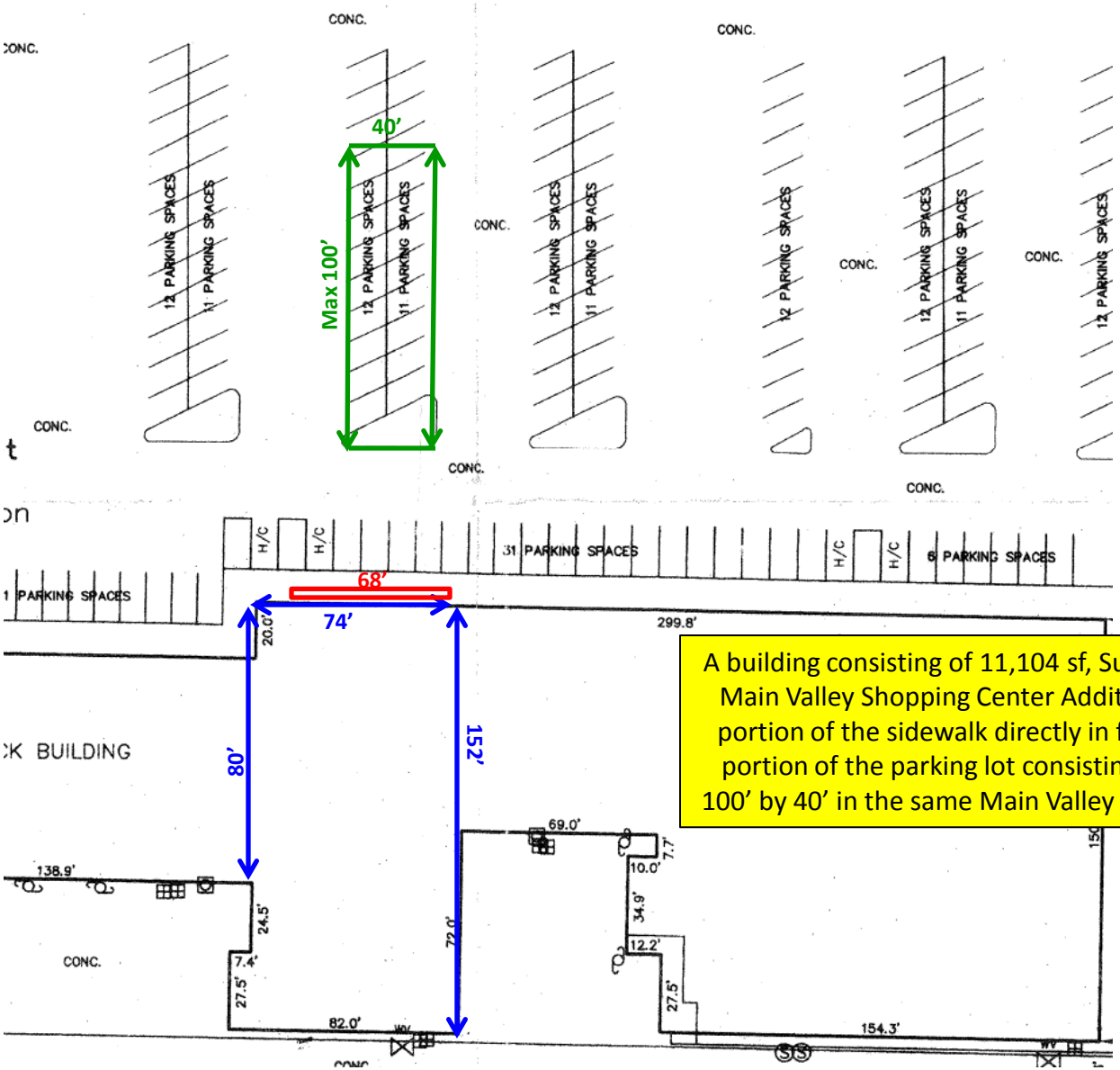
Developer: Westlake Ace Hardware
14000 Marshall Dr.
Lenexa, KS 66215

Preparation Date: October 2015

Notes:

- Scale is presented at 1-inch = 80 feet to illustrate entire shopping center property on one sheet.
- No additional landscape is proposed.
- Existing Trees and irrigation will continue to be maintained by the property owner.

BOUNDARY DESCRIPTION



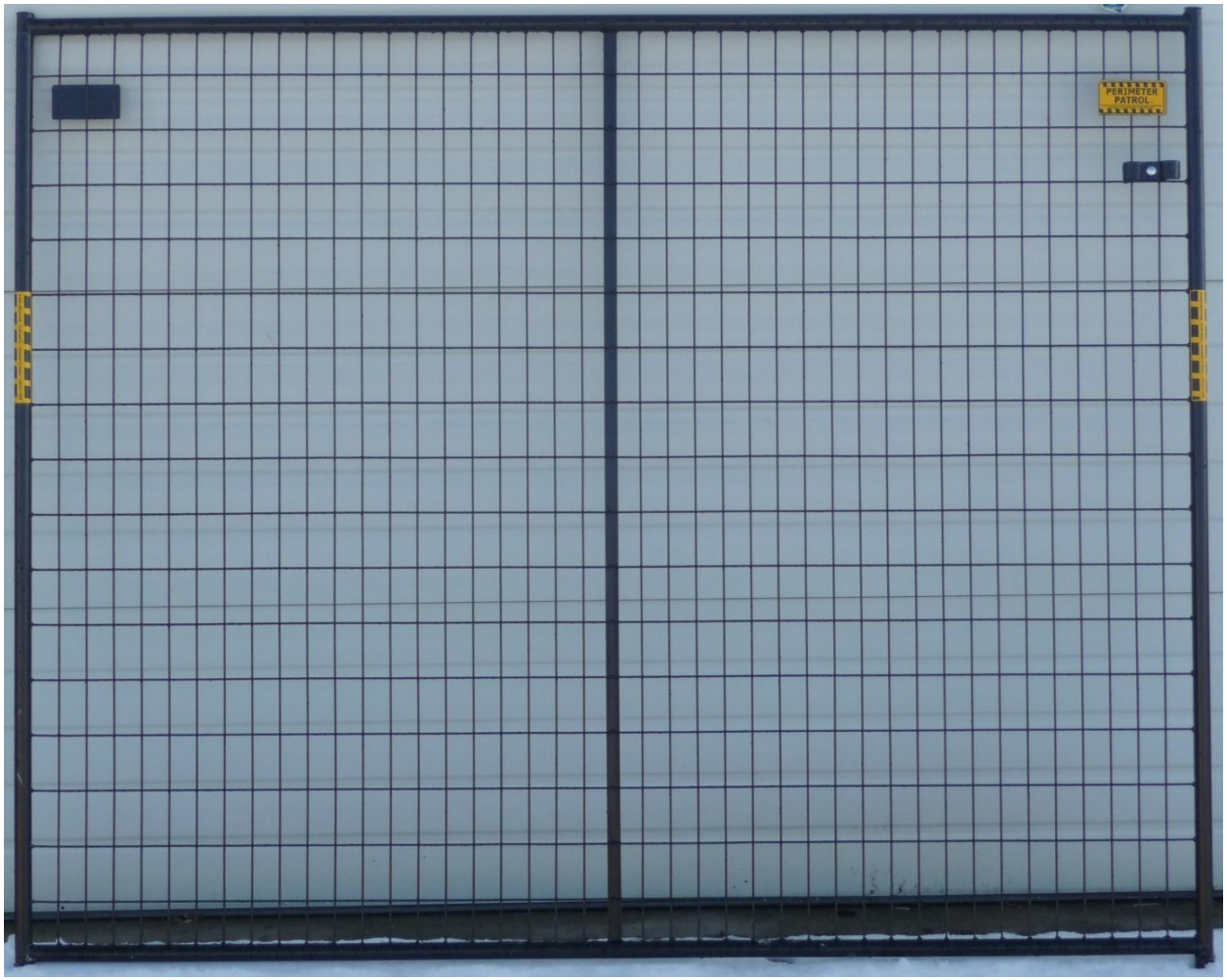
A building consisting of 11,104 sf, Suite 1116, a portion of the Main Valley Shopping Center Addition, Lot 1, Block A and a portion of the sidewalk directly in front of Suite 1116 and a portion of the parking lot consisting of a maximum area of 100' by 40' in the same Main Valley Shopping Center Addition

EXISTING FRONT ELEVATION

74 feet wide; 17 feet, 9 inches in height

ZONING MAP FOR 1116 W. MAIN STREET

EXAMPLE OF TEMPORARY BLACK WELDED WIRE FENCE PANEL



Fencing around Outdoor Merchandise Display and Sales area is made of 87” wide x 72” high panels of welded wire mesh construction using 8 gauge wire, 2” x 4” mesh, center welded to the round tube frame. Fence has a two-step finish, zinc enriched primer coat covered with durable powder coat to look like wrought iron. Comes with low profile wheel assembly to allow 87” wide fence panel to turn into a gate panel.
Ornamental vegetation and colorful live goods visible through fencing.

EXAMPLE OF TEMPORARY BLACK WELDED WIRE FENCE

Photo of 6’ tall Fencing
Can be re-configured to fit smaller area as inventory fluctuates during off peak times.

Keep drive lane open for loading of bagged goods and hardscapes and continue flow of traffic through lot.

LOCATION OF SIDEWALK MERCHANDISE DISPLAYS

EXAMPLES OF SIDEWALK MERCHANDISE DISPLAYS

EXAMPLES OF PERMANENT FENCING

Columns covered with cultured stone consistent with property owner's façade improvements

Permanent decorative fencing consistent with the wrought iron look pictured here.

Columns at a minimum placed at 4 corners of outside display and sales area.

EXAMPLES OF PERMANENT FENCING

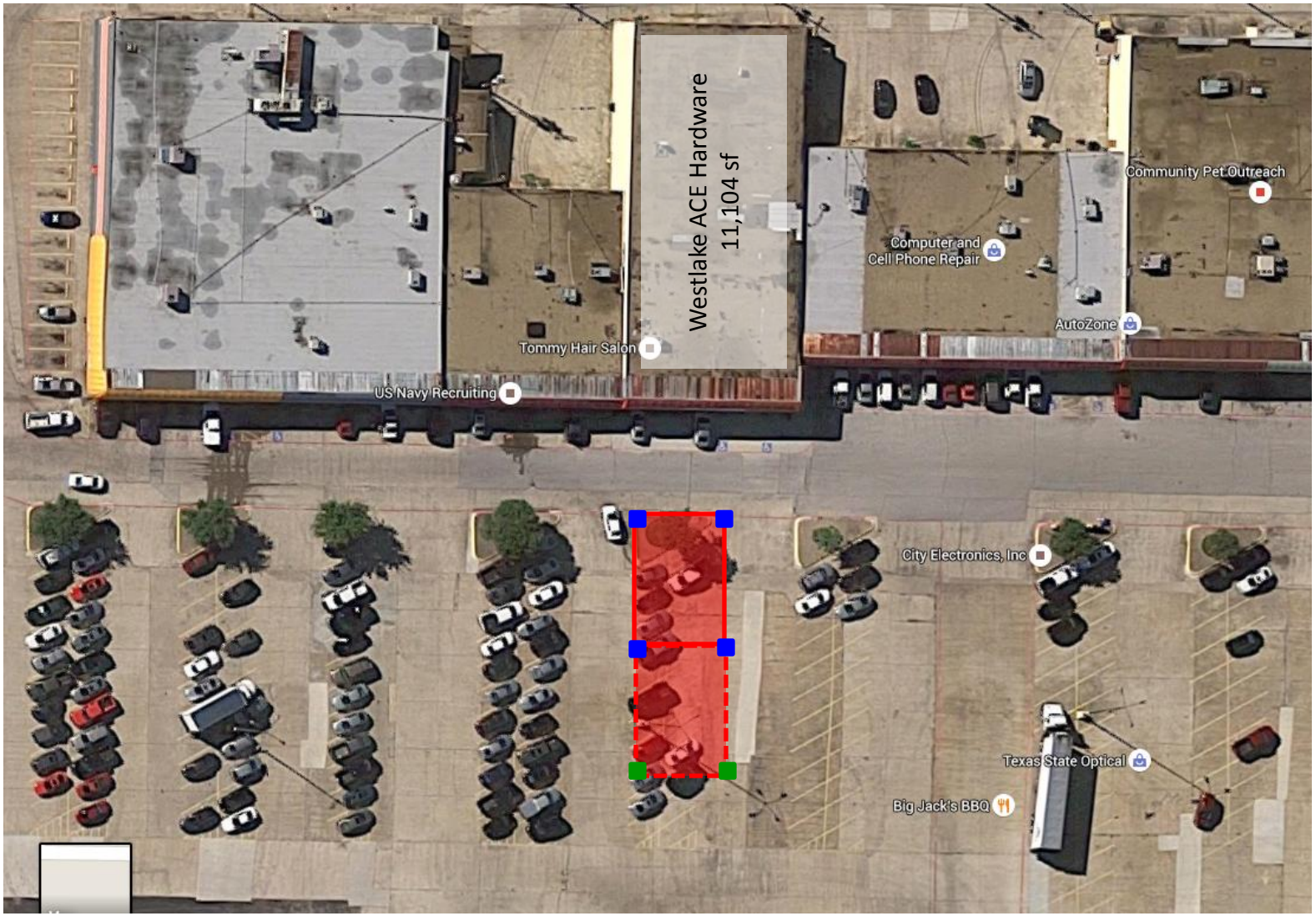
Welded steel or aluminum fence panels with wrought iron look

Columns with cultured stone veneer and concrete caps

EXAMPLES OF PERMANENT FENCING STRUCTURE

Decorative permanent fencing made of tubular steel or wrought iron with gates that open up for ease of customer shopping and loading during business hours and lock when business is closed.

Outside Display and Sales Area Footprint



Minimum Outside Display and Sales Area enclosed in permanent fencing

Possible additional Outside Display and Sales Area enclosed in permanent fencing (if length is greater than 70 feet, additional columns will be installed)

Stone columns around perimeter

Additional Stone columns if length is greater than 70 feet

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Nika Reinecke, Director of Economic Development and Planning

DATE: December 7, 2015

SUBJECT: **Public Hearing: Consideration of an Ordinance Granting a Zone Change From Light Industrial District (LI) and Agricultural Open Space District (AO) to Mixed Use Ninety District (MU-90) on an Approximately 143-Acre Tract of Land out of the J. Armendaris Survey, Abstract No. 28; the W. Cantwell Survey, Abstract No. 290; the J. Chowning Survey, Abstract No. 242; the H. Harper Survey, Abstract No. 605; the Haynes-Bullion Survey, Abstract No. 626; the A.J. Hitchcock Survey, Abstract No. 614; and the McKinney-Williams Survey, Abstract No. 936; Bounded Hebron Parkway to the North, SH 121 to the South, the DGNO Railroad to the West, and the Elm Fork Trinity River to the East, as Requested by Riverside DPH and the City of Lewisville, the Property Owners (Case No. PZ-2015-11-20).**

BACKGROUND

The entire site contain approximately 143 acres, with the northern 25 acres fronting Hebron Parkway under the ownership of Riverside DPH, which is the owner and developer of the adjacent 90-acre Hebron 121 Station mixed use development across the railroad tracks to the west. The remaining 117 acres is owned by the City of Lewisville. The entire site is currently zoned LI, except for an approximately 0.3-acre tract located at the southwest corner of the site adjacent to SH 121, which is zoned AO.

ANALYSIS

Surrounding land uses and zoning are as follows:

North: Gravel mining uses zoned SU (Specific Use) and landfill uses zoned HI (Heavy Industrial)

South: Undeveloped property south of SH 121 zoned AO

East: Multi-family residential uses across the Elm Fork of the Trinity River within the City of Carrollton

West: Office Uses zoned GB; Multi-family uses zoned MF-2; passenger rail station and parking zoned PU (Public Use); electrical power substation zoned GB; and Hebron 121 Station, a mixed use development, zoned MU-90

The proposed concept plan illustrates four commercial buildings with approximately 270,000 square feet fronting Hebron Parkway on the Riverside DPH portion of the site, while a hotel and conference center with approximately 208,000 square feet is shown on the City of Lewisville property adjacent to the DCTA passenger rail station. A public street crosses the railroad tracks at the southern portion of the site to provide access from the Hebron 121 Station development to the west. The remainder of the property lies within the 100-year floodplain and will be used to create a lake with a network of trails, recreational features and nature-focused amenities. The 143-acre property coupled with the 90-acre Hebron 121 Station development to the west establishes a mixed use focal point, identified as the Southern Gateway in the Lewisville 2025 Plan, characterized by a walkable, pedestrian and transit oriented environment that revolves around the DCTA passenger rail station at the center of the community. The proposed concept plan is consistent with the concept for this area presented at the City Council retreat in March 2015.

The applicant, Riverside DPH, has requested that the public hearing be continued to the December 21, 2015, City Council meeting so that the request can be considered on the same agenda as a companion item (Agenda Item Number 3), a proposed concept plan amendment to Hebron 121 Station. Staff has no objection to this request.

The Planning and Zoning Commission recommended unanimous approval of the zone change at their meeting on November 17, 2015.

RECOMMENDATION

It is City staff's recommendation that the City Council continue the public hearing to December 21, 2015.

---------- Forwarded message ----------
From: **Elvio Bruni**
Date: Wed, Dec 2, 2015 at 10:29 AM
Subject: Zoning request
To: Richard Luedke <rluedke@cityoflewisville.com>

Richard

We would like to formally request a continuance of the public hearing on the Hebron commercial property rezoning from December 7 2015 to December 21st 2015

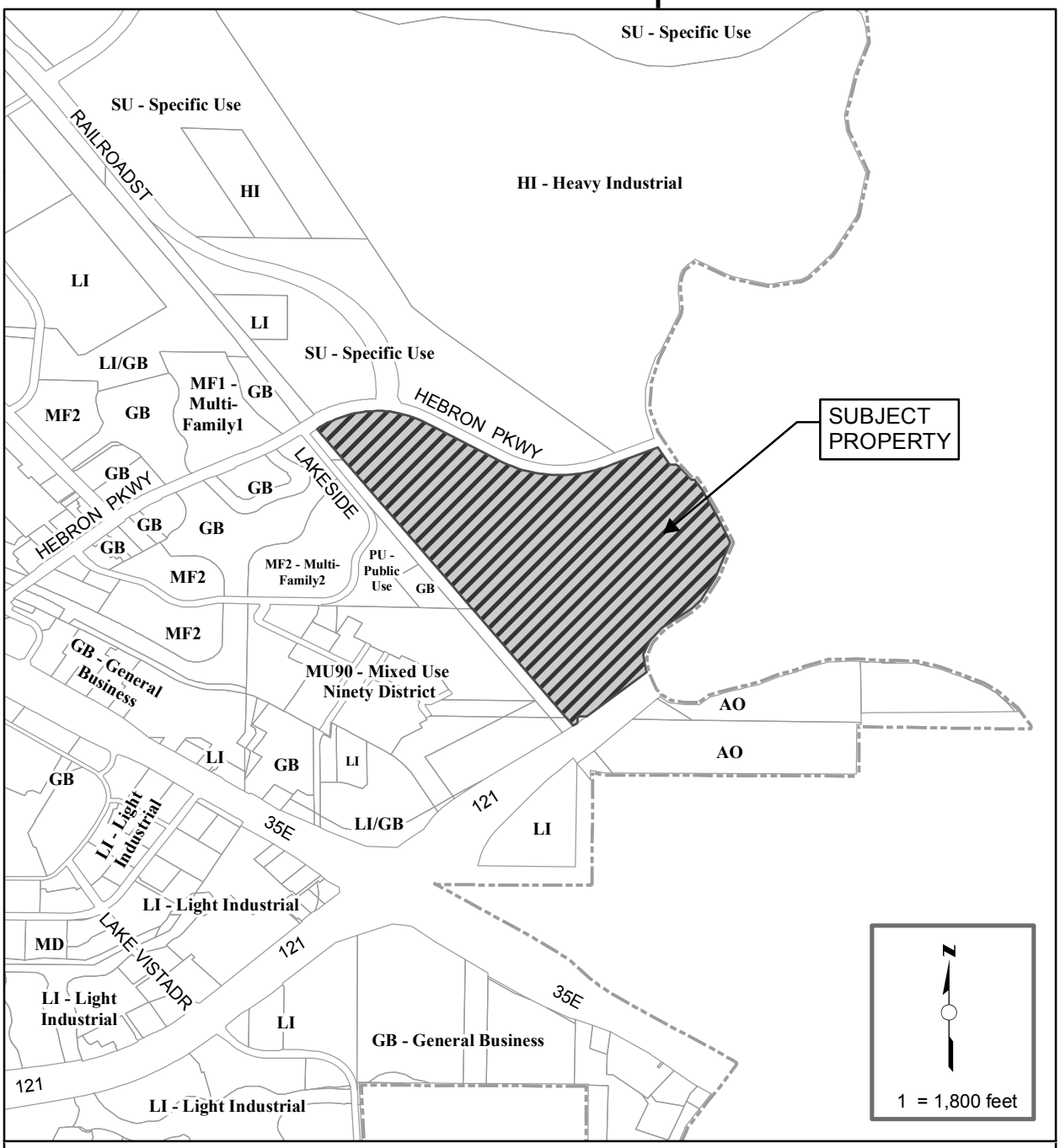
If you require anything additional please let me know

Sincerely

Elvio Bruni

Sent from my iPhone

Location Map



ZONING CASE NO. PZ-2015-11-20

OWNER NAME: RIVERSIDE DPH & THE CITY OF LEWISVILLE

PROPERTY LOCATION: BOUNDED BY HEBRON PKWY TO THE NORTH, SH 121 TO THE SOUTH, DGNO RAILROAD TO THE WEST, AND ELM FORK TRINITY RIVER TO THE EAST (143.0161 ACRES)

CURRENT ZONING: LIGHT INDUSTRIAL (LI) AND AGRICULTURAL OPEN SPACE (AO)

REQUESTED ZONING: MIXED USE-NINETY (MU-90)

Aerial Map

RAILROADST
HEBRON PKWY
HEBRON PKWY
LAKESIDE
SUBJECT PROPERTY
121
35E
LAKE VISTADR
121
35E
121
N
1 = 1,800 feet

SECTION 17-23. - "LI" LIGHT INDUSTRIAL DISTRICT REGULATIONS

(a) *Use*. Buildings and premises may be used for retail, wholesale, office and service uses and campus style light manufacturing and industrial uses provided there is no dust, fumes, gas, noxious odor, smoke, glare, or other atmospheric influence beyond the boundaries of the property on which such use is located, and which produces no noise exceeding in intensity at the boundary of the property the average intensity of noise of street traffic at that point, and no more than ten percent (10%) of the total lot is used for outside storage, and further provided that such use does not create fire or explosive hazards on adjacent property.

(1) Any use permitted in districts "LC" and "GB" as regulated in said districts.
(2) Apparel and other products assembled from finished textiles.
(3) Bottling works.
(4) Warehouse distribution facilities.
(5) Airport/Heliport (SUP required).
(6) Auto repair shops including body shops (SUP required).
(7) Church worship facilities.
(8) Buildings and uses owned or operated by public governmental agencies.
(9) Cemetery, mausoleum, crematorium & accessory uses (SUP required).
(10) Cosmetic manufacturer.
(11) Drugs and pharmaceutical products manufacturing.
(12) Private Utility Plants or Sub-stations (including alternative energy) (SUP required).
(13) Electronic products manufacturing.
(14) Fur good manufacture, but not including tanning or dyeing (SUP required).
(15) Gas and oil drilling accessory uses (SUP required).
(16) Glass products, from previously manufactured glass.
(17) Heavy equipment – outdoor rental/sales/display/service (SUP required).
(18) Household appliance products assembly and manufacture from prefabricated parts.
(19) Industrial and manufacturing plants including the processing or assembling of parts for production of finished equipment.
(20) Musical instruments assembly and manufacture.
(21) Paint, shellac and varnish manufacture (SUP required).
(22) Plastic products manufacture, but not including the processing of raw materials.
(23) Racing facilities (SUP required).
(24) Recreational Vehicle (RV) Park. (Private) (SUP required).
(25) Self storage/mini warehouse facility (SUP required).
(26) Shooting Range (indoor or outdoor) (SUP required.).
(27) Sporting and athletic equipment manufacture.
(28) Testing and research laboratories.
(29) Auction yard (vehicle) (SUP required).
(30) Communication towers (SUP required).
(31) Temporary buildings for uses incidental to construction work on the premises, which buildings shall be removed upon the completion or abandonment of construction work.
(32) Accessory buildings and uses customarily incidental to any of the above uses, provided that such not be objectionable because of odor, smoke, noise, vibration or similar nuisance. Open storage shall be considered an accessory use but no more than ten percent (10%) of the platted lot may be used for outside storage, including access and maneuvering areas for moving the stored items.
(33) Cemetery, columbarium, mausoleum and accessory uses (SUP required).
(34) Other uses similar to the above listed uses are allowed by special use permit (SUP) only, except that the following uses are specifically prohibited:
    a. Acetylene gas manufacture or storage.
    b. Acid manufacture.
    c. Alcohol manufacture.
    d. Ammonia, bleaching powder or chlorine manufacture.
    e. Arsenal.
    f. Asphalt manufacture or refining.
    g. Blast furnace.
    h. Bag cleaning, unless clearly accessory to the manufacture of bags.

i. Boiler works.
j. Brick, tile, pottery or terra cotta manufacture other than the manufacture of handcraft or concrete products.
k. Reserved.
l. Celluloid manufacture or treatment.
m. Cement, lime, gypsum, or plaster of paris manufacture.
n. Central mixing plant for cement.
o. Coke ovens.
p. Cotton gins.
q. Cottonseed oil manufacture.
r. Creosote manufacture or treatment.
s. Disinfectants manufacture.
t. Distillation of bones, coal or wood.
u. Dyestuff manufacture.
v. Exterminator and insect poison manufacture.
w. Emery cloth and sandpaper manufacture.
x. Explosives or fireworks manufacture or storage.
y. Fat rendering.
z. Fertilizer manufacture.
aa. Fish smoking and curing.
bb. Forge plant.
cc. Garbage, offal or dead animals reduction or dumping.
dd. Gas manufacture or storage, for heating or illuminating purposes.
ee. Glue, size or gelatine manufacture.
ff. Hatchery.
gg. Iron, steel, brass or copper foundry or fabrication plant.
hh. Junk, iron or rag storage or baling.
ii. Match manufacture.
jj. Lampblack manufacture.
kk. Oilcloth or linoleum manufacture.
ll. Oiled rubber goods manufacture.
mm. Ore reduction.
nn. Oil or turpentine manufacture.
oo. Paper and pulp manufacture.
pp. Petroleum or its products, refining or wholesale storage of.
qq. Pickle manufacturing.
rr. Planing mills.
ss. Potash works.
tt. Pyroxline manufacture.
uu. Rock crusher.
vv. Rolling mill.
ww. Rubber or gutta-percha manufacture or treatment but not the making of articles out of rubber.
xx. Sauerkraut manufacture.
yy. Salt works.
zz. Shoe polish manufacture.
aaa. Smelting of tin, copper, zinc, or iron ores.
bbb. Soap manufacture other than liquid soap.
ccc. Soda and compound manufacture.
ddd. Stock yard or slaughter of animals or fowls.
eee. Stone mill or quarry.
fff. Storage yard.
ggg. Stove polish manufacture.
hhh. Tallow grease or lard manufacture or refining from or of animal fat.
iii. Tanning, curing or storage of raw hides or skins.
jjj. Tar distillation or manufacture.
kkk. Tar roofing or water-proofing manufacture.
lll. Tobacco (chewing) manufacture or treatment.
mmm. Vinegar manufacture.

nnn. Wool pulling or scouring.
ooo. Yeast plant.

(b) *Height*. No building shall exceed in height the width of the street right-of-way on which it faces plus the depth of the front yard. In no event, however, shall the portion of a building located within one hundred fifty (150) feet of any property zoned for residential purposes exceed the height allowed in that residential zoning district.

(c) *Area*.

(1) *Size of yards*.

a. *Front yard*. There shall be a front yard having a minimum depth of twenty-five (25) feet. No parking, storage or similar use shall be allowed in required front yards in district "LI", except that automobile parking (including automobile dealer display parking) will be permitted in such yards if separated by at least twenty-five (25) feet from any residential district.

b. *Side yard*. A side yard of not less than fifteen (15) feet in width shall be provided on the side of a lot adjoining a side street. A side yard of not less than ten (10) feet in width shall be provided on the side of a lot adjoining a residential district. The required side yard shall be waived when a screening device is installed in accordance with the city's general development ordinance. The building itself can serve as a portion of the screening device when that portion of the building exterior is constructed of the same materials as the screening device. No parking, storage or similar use shall be allowed in any required side yard or in any side street yard adjoining a residential district.

c. *Rear yard.* No rear yard is required except that a rear yard of not less than fifty (50) feet in depth shall be provided upon that portion of a lot abutting or across a rear street from a residential district, except that such yard requirement shall not apply where the property in the residential district also backs up to the rear street. No parking, storage or similar use shall be allowed in required rear yards in district "LI" within twenty-five (25) feet of the rear property line.

(2) *Reserved*.

(d) *Outside storage regulations*. In all zoning districts where outside storage yards are allowed, such storage yards shall be screened from view in accordance with the standards outlined in the city's general development ordinance. This provision applies to all outside storage which began after the original date of passage of this provision (April 4, 1994). Any variance request involving the requirements or standards relating to such required screening devices shall be considered by the city council in accordance with the city's general development ordinance. Areas which are used for infrequent and temporary storage for a period of thirty (30) days or less per year shall not be deemed as "storage yards".

SECTION 17-6. - "AO" AGRICULTURE – OPEN SPACE DISTRICT REGULATIONS

(a) *Use*. A building or premise shall be used only for the following purposes:

(1) All general and special agricultural, farming, ranching, stock and poultry raising, dairy and other related uses so long as same does not cause a hazard to health by reason of unsanitary conditions; and are not offensive by reason of odors, dust, fumes, noise or vibration; and are not otherwise detrimental to the public welfare; and in all cases poultry or livestock shall be kept as per the city's animal control ordinances.
(2) Public parks and recreation areas.
(3) Single-family dwellings on building lots of one (1) acre or more in areas where such dwellings can be served by city water and/or sanitary sewer services if practical or can be adequately served by water wells and/or septic tanks located on the building lot. The minimum floor area of any dwelling shall be one thousand four hundred (1400) square feet, exclusive of garages, breezeways and porches.
(4) Country clubs or golf courses, but not including miniature golf courses, driving ranges or similar forms of commercial amusement (indoor or outdoor)..
(5) Buildings and uses owned or operated by public governmental agencies.
(6) Church worship facilities.
(7) Schools, private, with full curriculum accredited by the State of Texas equivalent to that of a public elementary or high school.
(8) Temporary buildings for uses incidental to construction work on the premises, which buildings shall be removed upon the completion or abandonment of construction work.
(9) Accessory buildings and uses, customarily incidental to the above uses and located on the same lot therewith, not involving the conduct of a retail business except as provided herein and for home occupations as defined by this ordinance.
(10) Accessory dwelling unit (SUP required).
(11) Private Utility Plants or Sub-stations (including alternative energy) (SUP required).
(12) Gas and oil drilling accessory uses (SUP required).
(13) Cemetery, columbarium, mausoleum and accessory uses (SUP required).

(b) *Height*. No building shall exceed thirty-five (35) feet or two and one-half (2-1/2) stories in height.

(c) *Area*.

(1) *Size of Yards*. All front, side, and rear yards shall have a dimension of not less than one hundred (100) feet.

(2) *Size of Lot*: No lot shall have an area of less than one (1) acre.

(3) *Lot Coverage*. In no case shall more than ten percent (10%) of the total area of the lot be covered by the combined area of the main buildings and accessory buildings.

SECTION 17-22.8.3 - "MU-90" MIXED USE NINETY DISTRICT REGULATIONS

(a) *Use.* The MU-90 district is intended to provide a planning, regulatory, and management framework for the design, development, and operation of urban mixed-use centers which promote social interaction, community identity, and efficient use of land and resources. The MU-90 district should also support and encourage a variety of transportation options, including transit, bicycles, and walking. The zoning district is applicable primarily to large undeveloped properties where higher density residential and commercial uses are appropriate. An application for MU-90 zoning must represent a site containing a minimum of 90 acres.

Uses may include, but are not limited to:

(1) Department stores and similar retail stores.
(2) Professional service offices, such as doctors, attorneys, architects, engineers, real estate, insurance and veterinarian clinics with no outside runs.
(3) Restaurants, including those with outdoor seating areas.
(4) Apartments (for sale or for rent units) and single family attached dwelling units (townhouses).
(5) Grocery stores.
(6) Video rental stores, movie theaters and other indoor amusements.
(7) Barber and beauty shops.
(8) Book, card, gift and stationary stores.
(9) Dry cleaning and laundry services.
(10) Gasoline service stations, excluding those with motor or transmission repair services (SUP required).
(11) Florists.
(12) Day nurseries.
(13) Hotels.
(14) Automobile parking structures
(15) Church worship facilities.
(16) Buildings and uses owned or operated by public governmental agencies.
(17) Other retail, office and service uses of a similar nature provided that the business supplies the everyday needs of the immediate neighborhood and is subject to the following conditions:
    a. The incidental display or sale of merchandise placed on private sidewalks in front of the store selling the merchandise shall be allowed during store operating hours. Uses involving overnight outside display of merchandise shall be prohibited except for seasonal sales for periods not to exceed 30 consecutive days and a maximum aggregate of 60 days per year (i.e. Christmas tree sales and sidewalk sales).
    b. Outside storage is prohibited.
    c. Platted front and side yards shall not be used for storage of merchandise, equipment, or waste containers, except as noted in section “a.” above.
    d. The use not be objectionable because of odor, excessive light, smoke, dust, noise, vibration, or similar nuisance.
    e. Only residential uses shall be allowed in Apartment and Townhouse units except commercial uses qualifying as a Home Occupation.
(18) Temporary buildings for uses incidental to construction work on the premises. Such buildings shall be removed upon the completion or abandonment of construction work.
(19) Accessory buildings and uses customarily incidental to any of the above uses, provided that such not be objectionable because of odor, smoke, dust, noise, vibration or similar nuisance.
(20) Bed and breakfast (SUP required).
(21) Private Utility Plants or Sub-stations (including alternative energy) (SUP required).
(22) Cemetery, columbarium, mausoleum and accessory uses (SUP required).
(23) Brewery, distillery, or winery.

(b) *Height*. Height regulations shall be determined by the building and fire codes.

(c) *Area*.

(1) *Size of yards*.

a. *Front yard*. There shall be a front yard having a minimum depth of five (5) feet except that a setback of not less than twenty five (25) feet shall be provided adjacent to a state or federal highway.

b. *Side yard*. A side yard of not less than five (5) feet shall be provided on the side of a lot adjoining a side street, except that a setback of not less than twenty five (25) feet shall be provided adjacent to a state or federal highway, otherwise no side yard setback is required.

c. *Rear yard.* No rear setback is required except that a setback of not less than twenty five (25) feet shall be provided adjacent to a state or federal highway.

(d) *Apartment use*.

(1) *Minimum dwelling size*. The floor area of any apartment unit shall contain a minimum of 500 square feet of livable floor space, but units within any single building must contain an average of 650 square feet of livable floor space, excluding garages, porches, breezeways, common entry halls or common storage.

(e) *Single family attached (townhouse) use.*

(1) Minimum dwelling size: The floor area of each townhouse unit shall contain a minimum of 1,200 square feet of livable floor space, exclusive of garages, porches, breezeways, common entry halls or common storage.

(2) *Size of lot*.

a. *Lot area*. No building shall be constructed on any lot less than 1,700 square feet per dwelling unit.

b. *Lot width*. The width of a lot shall not be less than 20 feet at any point.

c. *Lot depth*. The depth of a lot shall not be less than 75 feet at any point.

(f) *Concept plan required*.

(1) At the time of submitting a request for a change in zoning to mixed use ninety, the applicant shall include a concept plan for the proposed development. The concept plan is a comprehensive narrative, complete with illustrations, outlining the proposed development in detail. The concept plan shall show the applicant's intent for the use of the land within the proposed zoning district in a graphic manner and as may be required, supported by written documentation of proposals and standards for development.

(2) The concept plan shall include and is not limited to the following:

a. General uses and location of buildings
b. Thoroughfares and access
c. Preliminary lot layout
d. Size, type and location of buildings and building sites
e. Density, number of dwelling units, square feet of non-residential uses
f. Screening
g. Concept landscape plan
h. Lighting plan
i. Building elevations in color (1 set)
j. Exterior finish material and architectural character
k. Open Space and amenities
l. Phasing plan
m. Project scheduling
n. Items not consistent with the city's general development ordinance and requested variances
o. Traffic study (if needed)

p. Physical features of the site

(3) The plat and engineering site plan shall be substantially consistent with the concept plan approved with the zoning request. If the number of dwelling units, total amount of non-residential uses, proposed open space and amenities differs from the concept plan by more than ten percent (10%) the applicant will be required to file a new zone change request. Changes to the concept plan not impacting the above conditions including changes in the building layout may be approved by the planning and zoning commission with an amended concept plan and narrative submittal explaining the conditions for change. Denials may be appealed to the city council for a final resolution.

MINUTES
PLANNING AND ZONING COMMISSION
NOVEMBER 17, 2015

Item 1:

The Lewisville Planning and Zoning Commission meeting was called to order at 6:30 p.m. Members present: James Davis (Chairman), Brandon Jones, Steve Byars, Alvin Turner and Kristin Green. Members Sean Kirk and Mary Ellen Miksa were absent.

Staff members present: Richard Luedke, Planning Manager and Mary Paron-Boswell, Senior Planner.

Item 4:

Public Hearings for Zoning and Zoning Ordinance Amendments were next on the agenda.

B. Consideration of a Zone Change Request from Light Industrial District (LI) and Agricultural Open Space District (AO) to Mixed Use Ninety District (MU-90) on a 143.0161-Acre Tract of Land out of the J. Armendaris Survey, Abstract No. 28; the W. Cantwell Survey, Abstract No. 290; the J. Chowning Survey, Abstract No. 242; the H. Harper Survey, Abstract No. 605; the Haynes-Bullion Survey, Abstract No. 626; the A.J. Hitchcock Survey, Abstract No. 614; and the McKinney-Williams Survey, Abstract No. 936; Bounded Hebron Parkway to the North, SH 121 to the South, DGNO Railroad to the West, and the Elm Fork Trinity River to the East; as Requested by Riverside DPH and the City of Lewisville, the property owners (Case No. PZ-2015-11-20).

Staff gave a brief presentation on the zone change request. The entire site contains approximately 143 acres, with the northern 25 acres fronting Hebron Parkway under the ownership of Riverside DPH, which is the owner and developer of the adjacent 90-acre Hebron 121 Station mixed use development across the railroad tracks to the west. The remaining 117 acres is owned by the City of Lewisville. Staff presented a concept plan for the entire site. James Davis asked if there was a timeframe on developing the City property and how would it be funded. Staff indicated that this would be a multi-phased project and that funding would be from multiple sources. Elvio Bruni of Riverside DPH also spoke in favor of the project and indicated that this was an evolving plan and that there was interest along the frontage areas but that the landfill to the north was a negative factor. Kristen Green asked if the green space proposed would be used by the residents across the railroad track in the Hebron 121 Station project. Mr. Bruni indicated that the pedestrian passageways to the green space would be open to all residents of Lewisville and that there would be one vehicular rail crossing and one pedestrian rail crossing. The public hearing was opened and there being no one else present to speak on the item the public hearing was then closed. *A motion was made by Steve Byars to recommend approval of the zone change request, seconded by Alvin Turner. The motion passed unanimously (5-0).*

This Section (Office Use Only)	
Case:	
PZ:	CC:
Sign/s Picked Up By:	

LEWISVILLE
Deep Roots. Broad Wings. Bright Future.

ZONE CHANGE APPLICATION

Owner/s (name):	
Company Name:	RIVERSIDE DPH, L.P.
Mailing Address:	8200 DOUGLAS AVENUE, SUITE 300 DALLAS TX 75225
Work #: 214-750-1800	Cell #: 214-458-3905
E-Mail:	ELVIO@HUFFINESCOMMUNITIES.COM
~~Owner~~ Signature (Owner/s Must Sign or Submit Letter of Authorization): MANAGING MEMBER	Date: 11/6/15
Printed Name:	PHILLIP HUFFINES

Applicant/Agent (name):	
Company Name:	
Mailing Address:	
Work #:	Cell #:
E-Mail:	
Applicant/Agent Signature	Date:
Printed Name:	

Current Zoning: LI Requested Zoning: MU-90 Acres: 25

Legal Description (Lot/ Block/Tract/Abstract): _____

Address/Location: HEBRON PARKWAY EAST OF DCTA RAILROAD

Application and Sign Fees:

	Less than 1/2 acre	$ 150.00
	1/2 acre up to 4.99 acres	$ 250.00
	5 acres up to 24.99 acres	$ 400.00

	25 acres up to 49.99 acres	$ 750.00
	50 acres up to 99.99 acres	$1,000.00
	100 acres and more	$1,500.00

Qty: _____	**Zone Change Signs - $35 each.** 1 sign required for each 5 acres (max. 5 per site)	$ _____

Sign(s) must be posted a minimum of ten (10) days prior to the Planning & Zoning hearing date.

Amount Due (application & sign fee)	$ _____

This Section (Office Use Only)	
Case:	
PZ:	CC:
Sign/s Picked Up By:	

LEWISVILLE
Deep Roots, Broad Wings, Bright Future.

ZONE CHANGE APPLICATION

Owner/s (name): City of Lewisville	
Company Name:	
Mailing Address: PO Box 299002 Lewisville, TX 75029-9002	
Work #: 972-219-3455	Cell #:
E-Mail:	
Owner Signature (Owner/s Must Sign or Submit Letter of Authorization):	Date: 11-6-15
Printed Name: Eric Ferris, Assistant City Manager	

Applicant/Agent (name): Same as above	
Company Name:	
Mailing Address:	
Work #:	Cell #:
E-Mail:	
Applicant/Agent Signature	Date:
Printed Name:	

Current Zoning: LI & AO Requested Zoning: MU-90 Acres: 117.5129

Legal Description (Lot/ Block/Tract/Abstract): See attached

Address/Location: S of Hebron Pkwy, N of SH121, E of DGNO Railroad and W of the Elm Fork of the Trinity River

Application and Sign Fees:

	Less than 1/2 acre	$ 150.00
	1/2 acre up to 4.99 acres	$ 250.00
	5 acres up to 24.99 acres	$ 400.00

	25 acres up to 49.99 acres	$ 750.00
	50 acres up to 99.99 acres	$1,000.00
	100 acres and more	$1,500.00

Qty: _____	**Zone Change Signs - $35 each.** 1 sign required for each 5 acres (max. 5 per site)	$ _____

Sign(s) must be posted a minimum of ten (10) days prior to the Planning & Zoning hearing date.

Amount Due (application & sign fee)	$ _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, AMENDING THE ZONING ORDINANCE OF THE CITY OF LEWISVILLE, TEXAS BY REZONING AN APPROXIMATELY 143-ACRE TRACT OF LAND OUT OF THE J. ARMENDARIS SURVEY, ABSTRACT NO. 28; THE W. CANTWELL SURVEY, ABSTRACT NO. 290; THE J. CHOWNING SURVEY, ABSTRACT NO. 242; THE H. HARPER SURVEY, ABSTRACT NO. 605; THE HAYNES-BULLION SURVEY, ABSTRACT NO. 626; THE A.J. HITCHCOCK SURVEY, ABSTRACT NO. 614; AND THE MCKINNEY-WILLIAMS SURVEY, ABSTRACT NO. 936; BOUNDED BY HEBRON PARKWAY TO THE NORTH, SH 121 TO THE SOUTH, THE DGNO RAILROAD TO THE WEST, AND THE ELM FORK TRINITY RIVER TO THE EAST; FROM LIGHT INDUSTRIAL DISTRICT (LI) ZONING AND AGRICULTURAL OPEN SPACE DISTRICT (AO) TO MIXED USE NINETY DISTRICT (MU-90) ZONING; CORRECTING THE OFFICIAL ZONING MAP; PRESERVING ALL OTHER PORTIONS OF THE ZONING ORDINANCE; PROVIDING A CLAUSE RELATING TO SEVERABILITY; DETERMINING THAT THE PUBLIC INTERESTS AND GENERAL WELFARE DEMAND THIS ZONING CHANGE AND AMENDMENT THEREIN MADE; PROVIDING A PENALTY; AND DECLARING AN EMERGENCY.

WHEREAS, applications were made to amend the Official Zoning Map of Lewisville, Texas by making applications for same with the Planning and Zoning Commission of the City of Lewisville, Texas, as required by State statutes and the Zoning Ordinances of the City of Lewisville, Texas, said Planning and Zoning Commission has recommended that rezoning of the approximately 143.0161-acre property described in the attached Exhibit "A" (the "Property") be **approved**, and all the legal requirements, conditions and prerequisites having been complied with, the case having come before the City Council of the City of Lewisville, Texas, after all legal notices, requirements, conditions and prerequisites having been complied with; and,

WHEREAS, the City Council of the City of Lewisville, Texas, at a public hearing called by the City Council of the City of Lewisville, Texas, did consider the following factors in making a determination as to whether this requested change should be granted or denied: effect on the congestion of the streets; the fire hazards, panics and other dangers possibly present in the securing of safety from same; the effect on the promotion of health and the general welfare; effect on adequate light and air; the effect on the overcrowding of the land; the effect of the concentration on population; the effect on the transportation, water, sewerage, schools, parks and other public facilities; and,

WHEREAS, the City Council further considered among other things the character of the district and its peculiar suitability for particular uses and with the view to conserve the value of buildings, encourage the most appropriate use of land throughout this City; and,

WHEREAS, the City Council of the City of Lewisville, Texas, does find that there is a public necessity for the zoning change, that the public interest clearly requires the amendment, that the zoning changes do not unreasonably invade the rights of adjacent property owners; and,

WHEREAS, the City Council of the City of Lewisville, Texas, does find that the change in zoning lessens the congestion in the streets; helps secure safety from fire, panic and other dangers; promotes health and the general welfare; provides adequate light and air; prevents the overcrowding of land; avoids undue concentration of population; facilitates the adequate provisions of transportation, water, sewerage, schools, parks and other public requirements; and,

WHEREAS, the City Council of the City of Lewisville, Texas, has determined that there is a necessity and need for this change in zoning and has also found and determined that there has been a change in the conditions of the property surrounding and in close proximity to the Property since

it was originally classified and, therefore, feels that a change in zoning classification for the Property is needed, is called for, and is in the best interest of the public at large, the citizens of the City of Lewisville, Texas, and helps promote the general health, safety, and welfare of this community.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, THAT:

SECTION 1. The Zoning Ordinance of the City of Lewisville, Texas, be, and the same is hereby amended and changed in that the zoning of the Property is hereby changed to **MIXED USE NINETY DISTRICT (MU-90) ZONING** in compliance with the narrative and concept plan attached hereto as Exhibit "B"; and

SECTION 2. The City Manager, or her designee, is hereby directed to correct the official zoning map of the City of Lewisville, Texas, to reflect this change in zoning.

SECTION 3. That in all other respects the use of the tract or tracts of land hereinabove described shall be subject to all the applicable regulations contained in said City of Lewisville Zoning Ordinance and all other applicable and pertinent ordinances of the City of Lewisville, Texas.

SECTION 4. That the zoning regulations and districts as herein established have been made in accordance with the comprehensive plan for the purpose of promoting health, safety, and the general welfare of the community. They have been designed with respect to both present conditions and the conditions reasonably anticipated to exist in the foreseeable future, to lessen congestion in the streets; to secure safety from fire, panic, flood and other dangers; provide adequate light and air; to prevent overcrowding of land, to avoid undue concentration of population; facilitate the adequate provisions of transportation, water, sewage, parks and other public requirements, and to make

adequate provisions for the normal business, commercial needs and development of the community. They have been made with reasonable consideration, among other things of the character of the district, and its peculiar suitability for the particular uses and with a view of conserving the value of buildings and encouraging the most appropriate use of land throughout the community.

SECTION 5. This Ordinance shall be cumulative of all other ordinances of the City of Lewisville, Texas, affecting zoning and shall not repeal any of the provisions of said ordinances, except in those instances where provisions of those ordinances which are in direct conflict with the provisions of this Ordinance.

SECTION 6. That the terms and provisions of this Ordinance shall be deemed to be severable and that if the validity of the zoning affecting any portion of the Property shall be declared to be invalid, the same shall not affect the validity of the zoning of the balance of the tract or tracts of land described herein.

SECTION 7. Any person, firm or corporation who violates any provision of this Ordinance shall be deemed guilty of a misdemeanor and, upon conviction thereof in the Municipal Court, shall be subject to a fine of not more than $2,000.00 for each offense, and each and every day such offense is continued shall constitute a new and separate offense.

SECTION 8. The fact that the present Zoning Ordinance and regulations of the City of Lewisville, Texas are inadequate to properly safeguard the health, safety, peace and general welfare of the inhabitants of the City of Lewisville, Texas, creates an emergency for the immediate preservation of the public business, property, health, safety and general welfare of the public which

requires that this Ordinance shall become effective from and after the date of its final passage, and it is accordingly so ordained.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, BY A VOTE OF _____ TO _____, ON THIS THE 7TH DAY OF DECEMBER, 2015.

APPROVED:

_____
Rudy Durham, MAYOR

ATTEST:

_____
Julie Heinze, CITY SECRETARY

APPROVED AS TO FORM:

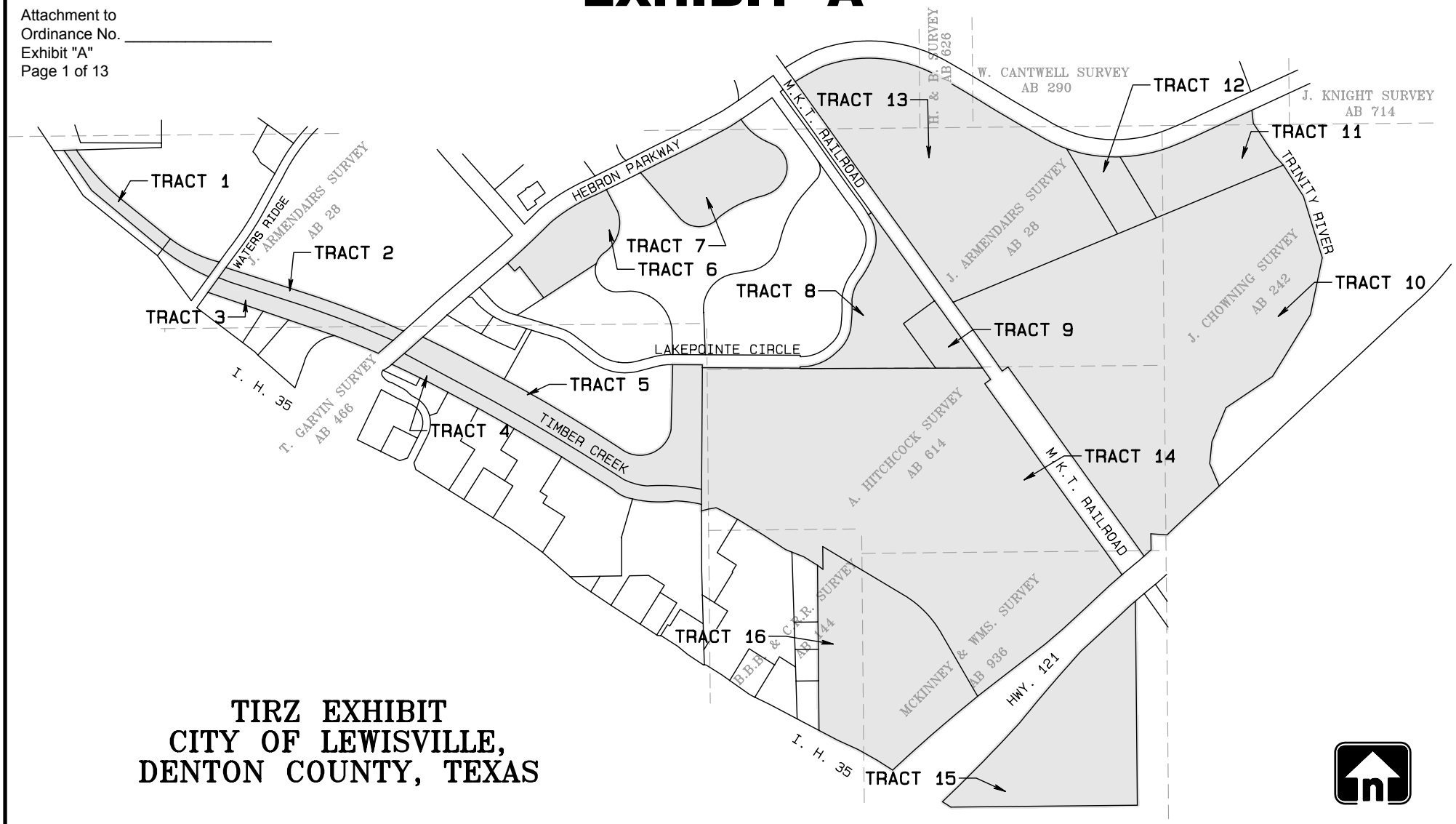
_____
Lizbeth Plaster, CITY ATTORNEY

Exhibit A
Legal Description

Exhibit B
Narrative
Concept Plan

EXHIBIT A

Attachment to
Ordinance No. _____
Exhibit "A"
Page 1 of 13



TIRZ EXHIBIT
CITY OF LEWISVILLE,
DENTON COUNTY, TEXAS

GRAPHIC SCALE 1"=1000'

0 1000 2000 3000

DATE: 09-22-08

Graham Associates,Inc.
CONSULTING ENGINEERS & PLANNERS
600 SIX FLAGS DRIVE, SUITE 500
ARLINGTON, TEXAS 76011 (817) 640-8535

TIRZ EXHIBIT
LEGAL DESCRIPTIONS

TRACT 1

<u>BEING</u> 6.93 acres out of the Juan Armendaris Survey, Abstract Number 28, Denton County, Texas, also known as all of Lot 1, 2 and 3, Block B, Lakepointe Addition, Phase II, an addition to the City of Lewisville, Denton County, Texas, as recorded in Cabinet E, Page 259 and 260, Plat Records, Denton County, Texas.

TRACT 2

<u>BEING</u> 4.03 acres out of the Juan Armendaris Survey, Abstract Number 28 and the T. Garvin Survey, Abstract Number 466, Denton County, Texas, also known as all of Lot 3, Block A, Lakepointe Addition, Phase II, an addition to the City of Lewisville, Denton County, Texas, as recorded in Cabinet E, Page 259, Plat Records, Denton County, Texas.

TRACT 3

<u>BEING</u> 3.94 acres out of the Juan Armendaris Survey, Abstract Number 28, and the T. Garvin Survey, Abstract Number 466, Denton County, Texas, also known as all of Lot 2, Block A, Lakepointe Addition, Phase I, an addition to the City of Lewisville, Denton County, Texas, as recorded in Cabinet E, Page 255, Plat Records, Denton County, Texas.

TRACT 4

<u>BEING</u> 7.32 acres out of the T. Garvin Survey, Abstract Number 466, Denton County, Texas, also known as all of Lot 3, Block H, Lakepointe Addition, Phase I, an addition to the City of Lewisville, Denton County, Texas, as recorded in Cabinet E, Page 255 and 256, Plat Records, Denton County, Texas.

TRACT 5

<u>BEING</u> 11.16 acres out of the T. Garvin Survey, Abstract Number 466, Denton County, Texas, also known as all of Lot 3, Block G, Lakepointe Addition, Phase III, an addition to the City of Lewisville, Denton County, Texas, as recorded in Cabinet E, Page 263, Plat Records, Denton County, Texas.

TRACT 6

<u>BEING</u> 6.29 acres out of the Juan Armendaris Survey, Abstract Number 28, Denton County, Texas, also known as all of Lot 1R-1A and Lot 1R-4, Block E, Lakepointe Addition, Phase III, an addition to the City of Lewisville, Denton County, Texas, as recorded in Cabinet T, Page 262, Plat Records, Denton County, Texas.

TRACT 7

<u>BEING</u> 9.70 acres out of the Juan Armendaris Survey, Abstract Number 28, Denton County, Texas, also known as all of Lot 4, Block E, Lakepointe Addition, Phase III, an addition to the City of Lewisville, Denton County, Texas, as recorded in Cabinet E, Page 263 and 265, Plat Records, Denton County, Texas.

TRACT 8

<u>BEING</u> 9.266 acres out of the Juan Armendaris Survey, Abstract Number 28, Denton County, Texas, also known as all of Lot 1A, Block F, Lakepointe Addition, Phase III, an addition to the City of Lewisville, Denton County, Texas, as recorded in Cabinet E, Page 365, Plat Records, Denton County, Texas.

TRACT 9

<u>BEING</u> 3.23 acres out of the Juan Armendaris Survey, Abstract Number 28, Denton County, Texas, also known as all of Lot 1B, Block F, Lakepointe Addition, Phase

III, an addition to the City of Lewisville, Denton County, Texas, as recorded in Cabinet E, Page 365, Plat Records, Denton County, Texas.

TRACT 10

BEING a 80.247 acre tract of land, situated in the Juan Armendaris Survey, Abstract No. 28, the J. Chowning Survey, Abstract No. 242 and the A.J. Hitchcock Survey, Abstract No. 614, Denton County, Texas and being part of a tract of land conveyed to J. Grady Brown, Jr., as recorded in Volume 637, Page 32, Deed Records, Denton County, Texas. Said 80.247 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING at a point for corner, located at the intersection of the northerly right-of-way line of State Highway 121 (a variable width R.O.W.) and the easterly right-of-way line of M.K. & T.R.R. (a 200 foot R.O.W.);

THENCE North 35°36′15″ West, leaving said northerly right-of-way line of State Highway 121, and following along said easterly right-of-way line of M.K. & T.R.R., for a distance of 2072.03 feet to a point for corner;

THENCE North 65°17′29″ East, leaving said easterly right-of-way line, for a distance of 2490.84 feet to a point for corner, said point being in the approximate centerline of Elm Fork of the Trinity River;

THENCE South 32°52′21″ East, following along said approximate centerline of Elm Fork of the Trinity River, for a distance of 258.59 feet to a point for corner;

THENCE South 17°04′00″ East, continuing along said approximate centerline, for a distance of 447.00 feet to a point for corner;

THENCE South 11°42′44″ West, continuing along said approximate centerline, for a distance of 404.93 feet to a point for corner;

THENCE South 31°34′28″ West, continuing along said approximate centerline, for a distance of 505.49 feet to a point for corner;

THENCE South 56°04′43″ West, continuing along said approximate centerline, for a distance of 391.00 feet to a point for corner;

THENCE South 22°26′01″ West, continuing along said approximate centerline, for a distance of 256.34 feet to a point for corner;

THENCE South 05°45′58″ West, continuing along said approximate centerline, for a distance of 153.02 feet to a point for corner;

THENCE South 23°06′17″ East, continuing along said approximate centerline, for a distance of 120.55 feet to a point for corner, said point being in said northerly right-of-way line of State Highway 121;

THENCE South 46°25′18″ West, leaving said approximate centerline, and following along said northerly right-of-way line, for a distance of 582.35 feet to a point for corner;

THENCE South 51°28′29″ West, continuing along said northerly right-of-way line, for a distance of 24.39 feet to a point for corner;

THENCE South 87°40′35″ West, continuing along said northerly right-of-way line, for a distance of 126.11 feet to a point for corner;

THENCE South 01°45′35″ East, continuing along said northerly right-of-way line, for a distance of 92.98 feet to a point for corner;

THENCE South 51°28′29″ West, continuing along said northerly right-of-way line, for a distance of 34.14 feet to the POINT OF BEGINNING and CONTAINING 3,495,564 square feet or 80.247 acres of land, more or less.

TRACT 11

BEING a 9.76 acre tract of land situated in the Juan Armendaris Survey, Abstract No. 28, J. Chowning Survey, Abstract No. 242, and the W. Cantwell Survey, Abstract No. 290, Denton County, Texas Said 9.76 acre tract being more particularly described as follows:

BEGINNING at a point for corner in the approximate centerline of the Elm Fork of the Trinity River and the northeast corner of a tract of land conveyed to J. Grady Brown, Jr., as recorded in Volume 637, Page 32, Deed Records, Denton County, Texas.;

THENCE South 65°17'29" West, following along the north line of said J. Grady Brown tract, a distance of 958.75 feet to a point for corner;

THENCE North 30°58'08" West, leaving said north line, a distance of 517.64 feet to

a point for corner, said point being the south right-of-way line of Hebron Parkway (a 120' R.O.W.) and the point of curvature of a non-tangent curve to the left having a radius of 1060.00 feet and a central angle of 19°30'16", and a long chord which bears North 75°03'32" East, 359.10 feet;

THENCE along said non-tangent curve to the left and following along the said south right-of-way line, an arc distance of 360.84 feet to a point for corner;

THENCE North 65°18'28" East, continuing along said south right-of-way line, a distance of 565.55 feet to a point for corner, said point being located in the approximate centerline of the Elm Fork of the Trinity River;

THENCE South 17°53'17" East, continuing along said centerline, a distance of 53.38 feet to a point for corner;

THENCE South 36°48'17" East, continuing along said centerline, a distance of 277.40 feet to a point for corner;

THENCE South 43°29'41" East, continuing along said centerline, a distance of 136.50 feet to the POINT OF BEGINNING and CONTAINING 425,157 square feet, or 9.760 acres of land, more or less.

TRACT 12

BEING a 3.908 acre tract of land, situated in the Juan Armendaris Survey, Abstract No. 28, Denton County, Texas. Said 3.908 acre tract of land being more particularly described by metes and bounds as follows:

COMMENCING at a point for corner, located at the intersection of the easterly right-of-way line of M.K. & T.R.R. (a 200 foot R.O.W.) and the northwest corner of a tract of land conveyed to J. Grady Brown Jr., as recorded in Volume 637, Page 32, Deed Records, Denton County, Texas;

THENCE North 65°17′29″ East, leaving said easterly right-of-way line of M.K. & T.R.R., and following along the northerly line of said J. Grady Brown Jr. tract, for a distance of 1240.96 feet to a point for corner, said point being the POINT OF BEGINNING;

THENCE North 30°56′10″ West, leaving said northerly line, for a distance of 686.56 feet to a point for corner, said point being in the southerly right-of-way line of Hebron Parkway (a 120 foot R.O.W.), and being the point of curvature of a non-

tangent curve to the left, having a delta of 17°34′51″, a radius of 1160.01 feet and a chord bearing and distance of South 85°34′16″ East, 354.55 feet;

THENCE southeasterly, along said southerly right-of-way line of Hebron Parkway and the arc of said non-tangent curve to the left, for a distance of 355.94 feet to a point rod for corner;

THENCE South 30°58′08″ East, leaving said southerly right-of-way line, for a distance of 512.94 feet to a point for corner, said point being in said northerly line of J. Grady Brown Jr. tract;

THENCE South 65°17′29″ West, following along said northerly line, for a distance of 291.14 feet to the POINT OF BEGINNING and CONTAINING 170,248 square feet or 3.908 acres of land, more or less.

TRACT 13

BEING a 48.797 acre tract of the Juan Armendaris Survey, Abstract No. 28, the H. Harper Survey, Abstract No. 605, the H. and B. Survey, Abstract No. 626 and the W. Cantwell Survey, Abstract No. 290, Denton County, Texas Said 48.797 acre tract being more particularly described as follows:

COMMENCING at a point in the approximate centerline of the Elm Fork of the Trinity River and the northeast corner of a tract of land conveyed to J. Grady Brown, Jr., as recorded in Volume 637, Page 32, Deed Records, Denton County, Texas;

THENCE South 65°17'29" West, following along the north line of said J. Grady Brown tract, a distance of 1249.88 feet to a point for corner, for the POINT OF BEGINNING;

THENCE South 65°17'29" West, continuing along said north line, a distance of 1289.93 feet to a point for corner, said point being in the east right-of-way line of the M. K. and T. Railroad (a 200' R.O.W.);

THENCE North 35°45'50" West, following along the said east right-of-way line, a distance of 1998.99 feet to a point for corner, said point being located in the south right-of-way line of Hebron Parkway (a 120' R.O.W.), for the point of curvature of a non-tangent curve to the right having a radius of 940.00 feet and a central angle of 64°26'44", and a long chord which bears North 88°01'14" East, 1002.44 feet;

<u>THENCE</u> along said non-tangent curve to the right and following along said south right-of-way line, an arc distance of 1057.30 feet to the point of tangency

<u>THENCE</u> South 59°45'23" East, continuing along said south right-of-way line, a distance of 817.98 feet to the point of curvature of a tangent curve to the left having a radius of 1060.00 feet, a central angle of 16°10'32", and a long chord which bears South 67°50'40" East, 298.26 feet;

<u>THENCE</u> along said tangent curve to the left and continuing along said south right-of-way line, an arc distance of 299.26 feet to a point for corner, said point being the point of tangency;

<u>THENCE</u> South 30°56'10" East, leaving said south right-of-way line, a distance of 691.34 feet to the <u>POINT OF BEGINNING</u> and <u>CONTAINING</u> 2,125,596 square feet, or 48.797 acres of land, more or less.

TRACT 14

<u>BEING</u> a 90.088 acre tract of land, situated in the McKinney & William Survey, Abstract No. 936, the A.J. Hitchcock Survey, Abstract No. 614 and the B.B.B. & C.R.R. Co. Survey, Abstract No. 144, Denton County, Texas and being part of a tract of land conveyed to Pearl J. Wiley, as recorded in Volume 435, Page 382 and all of a tract of land conveyed to Marilyn Tucker Ramsey, as recorded in Volume 3373, Page 815, Deed Records, Denton County, Texas. Said 90.088 acre tract of land being more particularly described by metes and bounds as follows:

<u>BEGINNING</u> at a point for corner, located at the intersection of the northerly right-of-way line of State Highway 121 (a variable width R.O.W.) and the westerly right-of-way line of M.K. & T.R.R. (a 200 foot R.O.W.);

<u>THENCE</u> South 52°00′35″ West, leaving said westerly right-of-way line of M.K. & T.R.R., and following along said northerly right-of-way line of State Highway 121, for a distance of 1156.27 feet to a point for corner, said point being the point of curvature of a curve to the left, having a delta of 13°33′28″, a radius of 1006.63 feet and a chord bearing and distance of South 45°07′46″ West, 237.64 feet;

<u>THENCE</u> southwesterly, along said northerly right-of-way line and the arc of said curve to the left, for a distance of 238.20 feet to a point for corner, said point being in the approximate centerline of Timber Creek Channel;

<u>THENCE</u> North 29°58′16″ West, leaving said northerly right-of-way line, and following along said approximate centerline of Timber Creek Channel, for a distance of 480.95 feet to a point for corner, said point being the point of curvature of a curve to the left, having a delta of 29°09'37", a radius of 735.00 feet and a chord bearing and distance of North 44°33′05″ West, 370.05 feet;

<u>THENCE</u> northwesterly, along said approximate centerline and the arc of said curve to the left, for a distance of 374.07 feet to a point for corner;

<u>THENCE</u> North 59°07′53″ West, continuing along said approximate centerline, for a distance of 608.43 to a point for corner;

<u>THENCE</u> South 02°10′22″ West, leaving said approximate centerline, for a distance of 158.84 feet to a point for corner;

<u>THENCE</u> North 54°52'11" West, for a distance of 187.90 feet to a point for corner, said point being the northeast corner of Lot 8, Block H, Lakepointe Phase V, an addition to the City of Lewisville as recorded in Cabinet N, Page 57, Plat Records, Denton County, Texas, and being the northeast corner of that certain 8.235 acre tract of land conveyed to Reliance Figueroa Association Limited Partnership, as recorded in County Clerk No. 97-R0001595, Deed Records, Denton County, Texas;

<u>THENCE</u> North 61°55'04" West, along the northerly line of said Partnership tract and the northerly line of said Block H, being a common line, for a distance of 106.53 feet to a point for corner;

<u>THENCE</u> North 57°01′39″ West, continuing along said common line, for a distance of 184.07 feet to a point for corner;

<u>THENCE</u> North 58°47'10" West, continuing along said common line, for a distance of 201.20 feet to a point for corner;

<u>THENCE</u> North 61°39′35″ West, continuing along said common line, for a distance of 64.35 feet to a point for corner;

<u>THENCE</u> North 60°44′21″ West, continuing along said common line, for a distance of 62.11 feet to a point for corner;

<u>THENCE</u> North 63°56′38″ West, continuing along said common line, for a distance of 55.43 feet to a point for corner, said point being the point of curvature of a non-tangent curve to the left, having a delta of 04°18′35″, a radius of 858.91 feet and a chord bearing and distance of North 70°25′59″ West, 64.59 feet;

THENCE northwesterly, along said common line and the arc of said non-tangent curve to the left, for a distance of 64.61 to a point for corner, said point being the northwest corner of said Partnership tract, and being the southeast corner of Lot 3, Block G, Lakepointe Phase 3, as recorded in Cabinet E, Pages 263-267, Plat Records, Denton County, Texas, also being the northeast corner of Lot 5A-R, Block H, Lakepointe Phase V, as recorded in Cabinet N, Page 57, Plat Records, Denton County, Texas;

THENCE North 00°33′23″ East, leaving said common line, and following along the east line of said Lot 3, Block G, and the west line of said Ramsey tract, being a common line, for a distance of 991.36 feet to a point for corner, said point being in the south right-of-way line of Lakeside Circle (a variable width R.O.W.)
THENCE South 89°10′42″ East, leaving said common line, and following along said south right-of-way line of Lakeside Circle, for a distance of 841.07 feet to a point for corner;

THENCE South 89°42′33″ East, for a distance of 1051.90 feet to a point for corner, being in said westerly right-of-way line of M.K. & T.R.R.;

THENCE South 35°36′15″ East, following along said westerly right-of-way line, for a distance of 1719.35 feet to the POINT OF BEGINNING and CONTAINING 3,924,248 square feet or 90.088 acres of land, more or less.

TRACT 15

BEING a 16.366 acre tract of land, situated in the McKinney & Williams Survey, Abstract No. 936, Denton County, Texas and being part of a tract of land conveyed to Pearl J. Wiley, as recorded in Volume 435, Page 382, Deed Records, Denton County, Texas. Said 16.366 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING at a point, located at the intersection of the southeast corner of said Wiley tract and the most westerly northwest corner of a tract of land conveyed to the City of Carrollton, Texas, as recorded in Volume 2046, Page 979, Deed Records, Denton County, Texas, also being located in the northeasterly right-of-way line of Interstate Highway 35E (a variable width R.O.W.);

THENCE North 87°20′05″ West, following along said northeasterly right-of-way line of Interstate Highway 35E, for a distance of 907.87 feet to a point for corner,

said point being in the easterly right-of-way line of State Highway 121 (a variable width R.O.W.), and being the point of curvature of a non-tangent curve to the right, having a delta of 37°23′15″, a radius of 812.36 feet and a chord bearing and distance of North 20°08′14″ East, 520.74 feet;

THENCE northeasterly, along said easterly right-of-way line of State Highway 121 and the arc of said non-tangent curve to the right, for a distance of 530.09 feet to a point for corner;

THENCE North 39°46′32″ East, continuing along said easterly right-of-way line, for a distance of 546.61 feet to a point for corner;

THENCE North 44°02′23″ East, continuing along said easterly right-of-way line, for a distance of 486.13 feet to a point for corner;

THENCE South 01°45′35″ East, leaving said easterly right-of-way line, for a distance of 1301.30 feet to the POINT OF BEGINNING and CONTAINING 712,898 square feet or 16.366 acres of land, more or less.

TRACT 16

BEING a 25.183 acre tract of land, situated in the McKinney & Williams Survey, Abstract No. 936 and the B.B.B. & C.R.R. Co. Survey, Abstract No. 144, Denton County, Texas and being part of a tract of land conveyed to Pearl J. Wiley, as recorded in Volume 435, Page 382, Deed Records, Denton County, Texas. Said 25.183 acre tract of land being more particularly described by metes and bounds as follows:

COMMENCING at a point, located at the intersection of the northerly right-of-way line of State Highway 121 (a variable width R.O.W.) and the westerly right-of-way line of M.K. & T.R.R. (a 200 foot R.O.W.);

THENCE South 52°00′35″ West, leaving said westerly right-of-way line of M.K. & T.R.R., and following along said northerly right-of-way line of State Highway 121, for a distance of 1156.27 feet to a point for corner, said point being the point of curvature of a curve to the left, having a delta of 13°33′28″, a radius of 1006.63 feet and a chord bearing and distance of South 45°07′46″ West, 237.64 feet;

THENCE southwesterly, along said northerly right-of-way line and the arc of said curve to the left, for a distance of 238.20 feet to a point for corner, said point being in the approximate centerline of Timber Creek Channel and being the POINT OF BEGINNING, also being the point of curvature of a curve to the left, having a delta

of 12°24′30″, a radius of 1006.63 feet and a chord bearing and distance of South 32°08′48″ West, 217.58 feet;

THENCE southwesterly, along said northerly right-of-way line and the arc of said curve to the left, for a distance of 218.00 feet to point for corner;

THENCE South 51°56′47″ West, continuing along said northerly right-of-way line, for a distance of 214.53 feet to a point for corner;

THENCE South 46°53′38″ West, continuing along said northerly right-of-way line, for a distance of 107.77 feet to a point for corner;

THENCE North 88°52′29″ West, leaving said northerly right-of-way line, for a distance of 290.59 feet to a point for corner, said point being in the easterly right-of-way line of Interstate Highway 35E (a variable width R.O.W.);

THENCE North 65°04′00″ West, along said easterly right-of-way line of Interstate Highway 35E, for a distance of 408.15 feet to a point for corner;

THENCE North 60°54′07″ West, continuing along said easterly right-of-way line, for a distance of 160.19 feet to a point for corner;

THENCE North 00°56′54″ West, leaving said easterly right-of-way line, for a distance of 1076.48 feet to a point for corner, said point being in the southerly top of bank of said Timber Creek Channel;

THENCE South 54°52′11″ East, along said southerly top of bank of Timber Creek Channel, for a distance of 187.90 feet to a point for corner;

THENCE North 02°10′22″ East, leaving said southerly top of bank, for a distance of 158.84 feet to a point for corner, said point being in the approximate centerline of said Timber Creek Channel;

THENCE South 59°07′53″ East, along said approximate centerline, for a distance of 608.43 feet to a point for corner, said point being the point of curvature of a curve to the right, having a delta of 29°09′37″, a radius of 735.00 feet and a chord bearing and distance of South 44°33′05″ East, 370.05 feet;

THENCE southeasterly, along said approximate centerline and the arc of said curve to the right, for a distance of 374.07 feet to a point for corner;

<u>THENCE</u> South 29°58′16″ East, continuing along said approximate centerline, for a distance of 480.95 feet to the <u>POINT OF BEGINNING</u> and <u>CONTAINING</u> 1,096,955 square feet or 25.183 acres of land, more or less.

EXHIBIT B
NARRATIVE

November 25, 2015

Nika Reinecke
Director of Economic Development and Planning
City of Lewisville
151 W. Church Street
Lewisville, Texas 75057

Dear Ms. Reinecke,

On behalf of the owner and developer, Riverside DPH LP (the "Owner"), I am requesting approval of rezoning request for an approximately 25.45-acre development known as Hebron Commercial Property from LI to MU-90. The current LI zoning allows for a mix of Light Industrial development.

The site will be developed in full compliance with City of Lewisville landscape, lighting and exterior building material requirements for MU-90 Zoning. There will only be minimal screening requirement within the development with the one exception for full screening of dumpsters and mechanical equipment. The project phasing will be determined by the Owner as building tenants and uses are identified. It is currently anticipated that the commercial portion of the project will be developed in a minimum of two and a maximum of 4 phases. In regards to project scheduling, it is currently anticipated that the initial phase of development will begin within 36 months with full project build out within 7 to 10 years after commencement.

The owner and developer is requesting approval to construct approximately 470,000 sq. feet. Of space constructed on the approximately 25 acres located along Hebron Parkway (see attached site plan). All uses will comply with MU-90 zoning requirements and building standards.

Please contact Elvio Bruni at 214.526.3000 or elvio@huffinescommunities.com with any comments or questions regarding this application.

Riverside DPH, L.P.
By: Riverside DPH GP, LLC
Its general partner

Name: Phillip Huffines
Managing Member
Date: November 10,2015

MU-90 CONCEPT PLAN FOR 143-ACRE TRACT

MULTIUSE CENTER

	LAND USE	FOOTPRINT (SF)	STORY (MIN)	TOTAL (SF)	PARKING
A	OFFICE	32,500	2	65,000	390
B	OFFICE	60,600	2	121,200	995
C	OFFICE	22,000	2	44,000	
D	HOTEL & CONF. CENTER	52,000	4	208,000	1,250
E	INCUBATORS (3) NATURE CENTER	9,000	1	9,000	50
F	OFFICE	12.500	2	25,000	150
TOTAL				472,200	2,835

TBG

LEWISVILLE REZONING / **HEBRON LAKESIDE OFFICE CENTER**

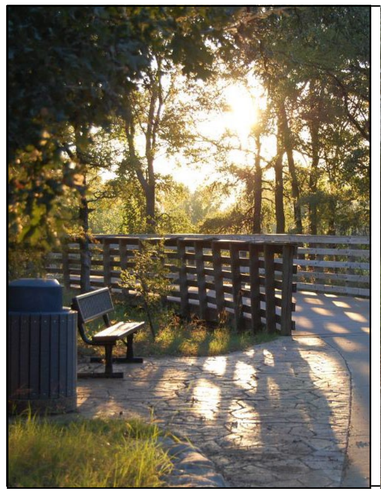
Lewisville, Texas Huffines 4 November 2015

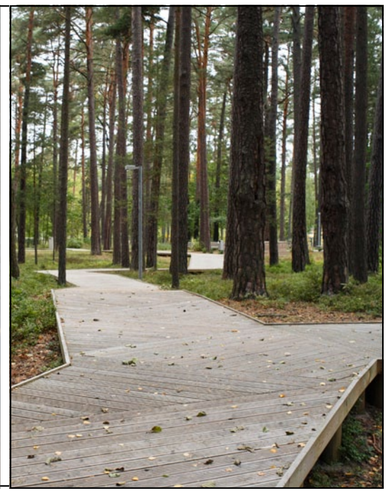
MU-90 OPEN SPACE AND AMENITIES CONCEPT PLAN

LEARN // An Environmental Center

EXPLORE // A Nature District

RETREAT // A Place to find Peacefulness





LEWISVILLE // THE ENVIRONMENTAL SHOWCASE

MARCH 17, 2015 TBG

REGIONAL CONCEPT PLAN FOR PORTION OF SOUTHERN GATEWAY EAST OF I-35E

TBG

LEWISVILLE REZONING / **REGIONAL CONCEPTUAL PLAN**

Lewisville, TX Huffines 28 October 2015

ARTS
ARTS

GUESS
GUESS

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Richard E. Luedke, Planning Manager

DATE: December 7, 2015

SUBJECT: **Public Hearing: Consideration of an Ordinance Amending Chapter 17, Zoning, of the Lewisville City Code, by Amending Section 17-3, Definitions, to add a Definition of a Chapter 748 Operation; and Section 17-20, Medical District, to Allow, With a Special Use Permit, a Chapter 748 Operation; and by Amending the Following Zoning Districts to Allow, With a Special Use Permit, Hotels, Motels, and Inns With Rooms That Have a Cooktop or Oven: Section 17-22, General Business District; Section 17-22.6, Old Town Center District; Section 17-22.7, Old Town Mixed Use 2 District; Section 17-22.8.1, Mixed Use Shopping Center District; Section 17-22.8.2, Mixed Use District; and Section 17-22.8.3, Mixed Use Ninety District.**

BACKGROUND

Over the years, amendments to the Zoning Ordinance have been adopted from time to time to respond to changes in the community and to provide more effective requirements and efficient processes. The proposed amendments related to Chapter 748 Operations are brought forward to address potential uses that are not currently identified in the zoning ordinance after a request from a local social service agency. The amendments related to hotels are in alignment with proposed amendments to the hotel requirements in Chapter 6, General Development Ordinance.

ANALYSIS

A summary of the proposed amendments is outlined below:

Definitions: A new definition has been added for a Chapter 748 Operation, which is defined as follows:

Chapter 748 Operation shall mean a residential child-care operation that provides child care, including treatment services and/or programmatic services, for 13 or more children or young adults as regulated by Chapter 748, Title 40, of the Texas Administrative Code.

Use List Assignments:

- Chapter 748 Operation (SUP required) is proposed for addition to the Medical District (MD)
- Hotels, motels, and inns with rooms containing a cooktop or oven (SUP required) is proposed in the GB, OTC, OTMU2, MU-SC, MU, and MU-90 Districts

The Planning and Zoning Commission recommended unanimous approval of the proposed Zoning Ordinance amendments at their meeting on November 17, 2015.

RECOMMENDATION

It is City staff's recommendation that the City Council approve the proposed ordinance as set forth in the caption above.

MINUTES
PLANNING AND ZONING COMMISSION
NOVEMBER 17, 2015

Item 1:

The Lewisville Planning and Zoning Commission meeting was called to order at 6:30 p.m. Members present: James Davis (Chairman), Brandon Jones, Steve Byars, Alvin Turner and Kristin Green. Members Sean Kirk and Mary Ellen Miksa were absent.

Staff members present: Richard Luedke, Planning Manager and Mary Paron-Boswell, Senior Planner.

Item 4:

Public Hearings for Zoning and Zoning Ordinance Amendments were next on the agenda.

C. Consideration of amendments to the Lewisville Code of Ordinances, Chapter 17 – Zoning, amending Section 17-3, Definitions, and Section 17-20, Medical District (MD); related to Chapter 748 Operations; and amending Section 17-22, General Business District (GB); Section 17-22.6, Old Town Center District (OTC); Section 17-22.7, Old Town Mixed Use 2 District (OTMU2); Section 17-22.8.1, Mixed Use Shopping Center District (MU-SC); Section 17-22.8.2, Mixed Used District (MU); and Section 17-22.8.3, Mixed Use 90 District (MU-90); related to new hotel requirements.

Staff gave a brief presentation on the proposed changes to the ordinance and the new hotel requirements that Council will be considering. Brandon Jones asked if the SUP would be required for new hotel developments that provided a full kitchen. Staff confirmed that new hotels with rooms with full kitchens would require approval of an SUP. James Davis asked if there were currently hotels in Lewisville that provided a full kitchen. Staff indicated that there are existing hotels with full kitchens as defined. The public hearing was opened and there being no one present to speak on the item, the public hearing was then closed. *A motion was made by Brandon Jones to recommend approval of the proposed ordinance amendments as presented, seconded by Alvin Turner. The motion passed unanimously (5-0).*

ZONING ORDINANCE

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Cemetery shall mean land used or intended to be used for the interment of human remains and may include the following accessory uses if operated within the boundaries of said cemetery: a crematorium, mausoleum, columbarium, necessary sales and maintenance facilities, and mortuaries.

Chapter 748 Operation shall mean a residential child-care operation that provides child care, including treatment services and/or programmatic services, for 13 or more children or young adults, which is regulated by Chapter 748, Title 40, of the Texas Administrative Code.

City shall mean the City of Lewisville, Texas.

Clinic shall mean the office of one or more medical doctors, dentists, optometrists, or similar members of the medical professions.

Columbarium shall mean a structure designed for the purpose of interring cremated human remains in sealed compartments.

Commercial amusement (indoor) shall mean an amusement or entertainment enterprise wholly enclosed and operated within a building that is treated acoustically so that noise generated by the enterprise is not perceptible at the bounding property line. This includes, but is not limited to, bowling alleys, skating rinks, health clubs, racquetball clubs, indoor tennis courts, gymnasiums, swimming pools, teen clubs, dance halls and movie theaters.

Commercial amusement (outdoor) shall mean an enterprise offering entertainment or games of skill to the general public for a fee or charge or to members and guests of a private association wherein any portion of the activity takes place in the open. Typical uses include, but are not limited to: private sports fields, batting cages, a golf driving range, paint ball facility, archery range and miniature golf course, amusement park, water park, rodeo grounds, drive-in theater, go-cart tracks.

Commission, planning shall mean the Planning and Zoning Commission of the City of Lewisville, Texas.

Communication Towers and related devices: A communications tower is a structure primarily intended to support transmission equipment for telephone, radio, and other communication purposes. Communication towers are typically categorized as monopole (freestanding), lattice (self-supporting or anchored with guy wires or cables). Related devices shall be defined as follows:

Antenna: A signal transmission or receiving device for radio, television, telephone or other electronic signals including accessory mechanical equipment and accessory structures used solely for housing accessory equipment. An antenna may stand alone or be attached to a building, structure, rooftop, monopole or lattice tower.

Communication Dish: Any dish-shaped device used for transmission or receiving of radio, television, telephone or other electronic signals, including accessory mechanical equipment attached to a tower and accessory structures used solely for housing of the accessory equipment. A Communications Dish shall be considered an antenna.

Lattice Tower: A lattice structure used to support antennas or communications dishes, including accessory mechanical equipment attached to the tower and accessory structures used solely for housing of the tower or accessory equipment.

Monopole Tower: A pole (not exceeding 42 inches in diameter) used to support antennas or communications dishes, including accessory mechanical equipment attached to the pole and accessory structures used solely for housing of the monopole or accessory equipment.

Monopole Platform: That portion of a monopole tower, located on or near the top of the tower, supporting directional, transmitting and receiving antennas. Such platforms may not have a horizontal cross section area greater than one hundred ninety six (196) square feet. The depth shall not exceed four (4) feet.

SECTION 17-20. - "MD" MEDICAL DISTRICT REGULATIONS

(a) *Use.* A building or premise shall be used only for the following purposes:

(1) Day nursery or day care center.
(2) Nursing home or convalescent home.
(3) Assisted living or independent living units, limited to persons age 55 and above and including programs such as on-site meals, on-site doctor visits, medication management, organized fitness programs, housekeeping services, laundry services, craft and game programs, transportation to doctors and shopping, beauty and barber services, on-site entertainment and similar activities for senior citizens.
(4) Institution for care of alcoholic, narcotic, or psychiatric patients.
(5) Clinic: medical, dental or optical.
(6) Laboratory: medical, dental or optical.
(7) Laboratory: scientific research or testing.
(8) Retail sales and services for medical appliances.
(9) Florist.
(10) Drug store or pharmacy.
(11) Optical sales and service.
(12) Offices: medical, dental or optical.
(13) Hospital.
(14) Church worship facilities.
(15) Buildings and uses owned or operated by public governmental agencies.
(16) Uses similar to the above mentioned permitted uses, provided activities conducted observe the requirements of all city ordinances.
(17) Temporary buildings for uses incidental to construction work on the premises, which buildings shall be removed upon the completion or abandonment of construction work.
(18) Accessory buildings and uses customarily incidental to any of the above uses, provided that such not be objectionable because of odor, smoke, dust, noise, vibration or similar nuisance.
(19) Private Utility Plants or Sub-stations (including alternative energy) (SUP required).
(20) Gas and oil drilling accessory uses (SUP required).
(21) Cemetery, columbarium, mausoleum and accessory uses (SUP required).
(22) Chapter 748 Operation (SUP required).

(b) *Height*. The maximum height for the main buildings shall not exceed one hundred (100) feet. In no event, however, shall the portion of a building located within one hundred fifty (150) feet of any property zoned for residential purposes exceed the height allowed in that residential zoning district.

(c) *Area*.

(1) *Size of yards*.

a. *Front yard*. There shall be a front yard having a minimum depth of twenty-five (25) feet. No parking, storage or similar use shall be allowed in required front yards in district "MD", except that automobile parking will be permitted in such yards if separated by at least twenty-five (25) feet from any residential district.

b. *Side yard*. There shall be a minimum side yard of ten (10) feet on each side of the lot or tract on which any single building or building complex is constructed.

c. *Rear yard*. No rear yard is required except, that a rear yard of not less than twenty-five (25) feet in depth shall be provided upon that portion of a lot abutting or across a rear street from a residential district, except that such yard requirement shall not apply where the property in the residential district also backs up to the rear street. The required rear yard shall be waived when a screening device is installed in accordance with the city's general development ordinance. The building itself can serve as a portion of the screening device when that portion of the building exterior is constructed of the same materials as the screening device.

SECTION 17-22. - "GB" GENERAL BUSINESS DISTRICT REGULATIONS

(a) *Use*. A building or premise shall be used only for office, retail and service uses which are primarily retail in nature including, but not limited to:

(1) Any use permitted in district "LC" as regulated in said district.
(2) Auto, boat, motorcycle, recreational vehicle or mobile home display, sales (outdoor) and/or repair (SUP required)
(3) Bakeries.
(4) Building material sales with outside storage or display, including lumber yards (SUP required).
(5) Business or commercial schools.
(6) Clinic, medical and dental, and professional offices.
(7) Carpentry, painting, plumbing or tinsmithing shop fully enclosed within a building.
(8) Cleaning, laundry and dyeing plants fully enclosed within a building.
(9) Creamery, ice cream manufacturing and dairy operations fully enclosed within a building.
(10) Farm implement display and sales room. (outdoor) (SUP required).
(11) Hotels, motels and inns.
(12) Mortuaries with or without crematoriums. (SUP required).
(13) Office buildings.
(14) Pet shops, retail, fully enclosed within a building.
(15) Printing, engraving and newspaper plants, fully enclosed within a building.
(16) Radio or television broadcasting station or studio with broadcasting towers (SUP required).
(17) Retail stores, fully enclosed within a building.
(18) Veterinarian or animal hospital with outdoor kennel or exercise runs (SUP required).
(19) Bowling alley and other commercial amusement (indoor) uses, fully enclosed within a building.
(20) Church worship facilities.
(21) Uses similar to the above mentioned permitted uses, provided activities conducted wholly inside a building and observe the requirements of all city ordinances.
(22) Temporary buildings for uses incidental to construction work on the premises, which buildings shall be removed upon the completion or abandonment of construction work.
(23) Accessory buildings and uses customarily incidental to any of the above uses, provided that such not be objectionable because of odor, smoke, noise, vibration or similar nuisance. Open storage shall be considered an accessory use but no more than ten percent (10%) of the platted lot may be used for outside storage, including access and maneuvering areas for moving the stored items.
(24) Dwelling units of 850 square foot minimum size when located over a retail, restaurant or similar use on the first floor (SUP required).
(25) Private Utility Plants or Sub-stations (including alternative energy) (SUP required).
(27) Cemetery, columbarium, mausoleum and accessory uses (SUP required).
(28) Commercial amusement, outdoor (SUP required).
(29) Drive-in theater (SUP required).
(30) Flea market, outdoor (SUP required).
(31) Helipad, helistop or landing strip (SUP required).
(32) Kennels with outdoor runs (SUP required).
(33) Nightclub, bar. (SUP required).
(34) Brewery, distillery, or winery.
(35) Hotels, motels and inns with rooms containing a cooktop or oven (SUP required).

(b) *Height*. No building shall exceed in height the width of the street on which it faces plus the depth of the front yard. On a lot adjoining a residential district, no building shall exceed forty-five (45) feet in height, except that this height may be increased up to the maximum of twelve (12) stories or one hundred eighty (180) feet at the rate of two (2) feet of additional height for each one (1) foot of additional setback from required yard lines. In no event, however, shall the portion of a building located within one hundred fifty (150) feet of any property zoned for residential purposes exceed the height allowed in that residential zoning district.

(c) *Area*.

SECTION 17-22.6 - "OTC" OLD TOWN CENTER BUSINESS DISTRICT REGULATIONS

(a) *Use*. A building or premise shall be used only for office, retail and service uses which are primarily retail in nature including, but not limited to:

(1) Retail establishments including but not limited to: bakeries; book, card, gift and stationary stores; building material sales; clothing; florists; grocery stores; and pet shops or others of a similar nature and subject to the following condition:

a. Temporary, portable outside display of merchandise is allowed on a daily basis but is limited to the area directly adjacent to the building occupied by the business and no more than five (5) feet from the building. A clear aisle shall be maintained for pedestrian access. Otherwise, no outside display or storage is permitted.

(2) Barber and beauty shops.
(3) Buildings and uses owned or operated by public governmental agencies.
(4) Business or commercial schools.
(5) Church worship facilities.
(6) Clinic, medical and dental, and related professional offices.
(7) Communication towers, accessory to the primary use, shall be located on a building and may extend a maximum of 15 feet above the building, but must be screened from view.
(8) Day nurseries.
(9) Dry cleaning and laundry services.
(10) Hotels, motels and inns.
(11) Professional offices.
(12) Restaurants.
(13) Veterinarian or animal clinic provided that no kennel or exercise runway shall be located outside the building.
(14) Video rental stores and movie theaters.
(15) Accessory buildings and uses customarily incidental to any of the above uses, provided that such not be objectionable because of odor, smoke, noise, vibration or similar nuisance. Dwelling units of 850 square foot minimum size shall be allowed as an accessory use to retail businesses.
(16) Non-accessory dwelling units of 650 square foot minimum size when located over a retail, restaurant or similar use on the first floor.
(17) Temporary buildings for uses incidental to construction work on the premises, which buildings shall be removed upon the completion or abandonment of construction work.
(18) Uses similar to the above mentioned permitted uses; provided activities conducted observe the requirements of all city ordinances.
(19) Bed and breakfast establishments (SUP required).
(20) Bar (SUP required).
(21) Hotels, motels and inns with rooms containing a cooktop or oven (SUP required).

(b) *Height*. No building shall exceed a maximum height of three (3) stories or forty-five (45) feet excluding parapet walls. Parapet walls shall have a maximum height of eight (8) feet.

(c) *Area*.

(1) *Size of yards*.

a. *Front yard*. The front facades of buildings shall be set at the front property line. However, a portion of the façade may be set back further in order to create a special entry court or restaurant seating.

b. *Side yard*. The façade of a building located on a lot that adjoins a side street shall be located at the property line.

SECTION17-22.7. - "OTMU2" OLD TOWN MIXED USE 2 DISTRICT REGULATIONS

(a) *Use*. A building or premise shall be used only for the following purposes:

(1) Single-family dwellings.
(2) Single-family attached dwellings, provided that no more than nine (9) dwelling units are attached in one continuous row or group, and provided that no dwelling unit is constructed above another dwelling unit.
(3) Two-family dwellings (duplexes).
(4) Multi-family dwellings. Projects shall be a minimum of one (1) acre in land area. More than one lot may be utilized to meet the one-acre requirement as long as the lots are contiguous or directly across street rights-of-way. A minimum of twenty (20) units must be built in the first phase of construction.
(5) Retail establishments including but not limited to: bakeries; book, card, gift and stationary stores; building material sales; clothing; florists; grocery stores; and pet shops or others of a similar nature and subject to the following condition:
   a. Temporary, portable outside display of merchandise is allowed on a daily basis but is limited to the area directly adjacent to the building occupied by the business and no more than five (5) feet from the building. A clear aisle shall be maintained for pedestrian access. Otherwise, no outside display or storage is permitted.
(6) Barber and beauty shops.
(7) Buildings and uses owned or operated by public governmental agencies.
(8) Business or commercial schools.
(9) Church worship facilities.
(10) Clinic, medical and dental, and related professional offices.
(11) Communication towers (SUP required). Towers, antennas and communication dishes located on a building may be extend a maximum of 15 feet above the building, but must be screened from view.
(12) Day nurseries.
(13) Dry cleaning and laundry services.
(14) Gasoline service stations, excluding major motor or transmission repair services (SUP required).
(15) Hotels, motels and inns.
(16) Mortuaries (SUP required).
(17) Professional offices.
(18) Restaurants.
(19) Veterinarian or animal clinic provided that no kennel or exercise runway shall be located outside the building.
(20) Video rental stores and movie theaters.
(21) Accessory buildings and uses customarily incidental to any of the above uses, provided that such not be objectionable because of odor, smoke, noise, vibration or similar nuisance. Dwelling units of 850 square foot minimum size shall be allowed as an accessory use to retail businesses.
(22) Non-accessory dwelling units of 650 square foot minimum size when located over a retail, restaurant or similar use on the first floor.
(23) Temporary buildings for uses incidental to construction work on the premises, which buildings shall be removed upon the completion or abandonment of construction work.
(24) Bed and breakfast (SUP required).
(25) Uses similar to the above mentioned permitted uses; provided activities conducted observe the requirements of all city ordinances.
(26) Private Utility Plants or Sub-stations (including alternative energy) (SUP required).
(27) Gas and oil drilling accessory uses (SUP required).
(28) Cemetery, columbarium, mausoleum and accessory uses (SUP required).
(29) Brewery, distillery, or winery.
(30) Bar (SUP required).
(31) Hotels, motels and inns with rooms containing a cooktop or oven (SUP required).

(b) Single-family detached and two-family requirements.

SECTION 17-22.8.1 - "MU-SC" MIXED USE – SHOPPING CENTER DISTRICT REGULATIONS

(a) *Use*. A building, premise or development shall be used only for office, retail, restaurant and service uses, or a mix of those uses, which are primarily retail or residential in nature, including apartments (for sale or for rent units) and single family attached dwelling units (townhouses).

Uses may include those listed in the office district zoning classification, as well as:

(1) Department stores and similar retail stores.
(2) Professional service offices, such as doctors, medical and dental clinics, attorneys, architects, engineers, real estate, insurance, veterinarian clinics with no outside runs and other professional offices.
(3) Corporate and administrative offices.
(4) Restaurants, including those with outdoor seating areas.
(5) Apartments (for sale or for rent units) and single family attached dwelling units (townhouses).
(6) Grocery stores.
(7) Hotels
(8) Video rental stores, movie theaters and other indoor amusements.
(9) Barber and beauty shops.
(10) Book, card, gift and stationary stores.
(11) Dry cleaning and laundry services.
(12) Gasoline service stations, excluding those with motor or transmission repair services (SUP required).
(13) Florists.
(14) Day nurseries.
(15) Church worship facilities.
(16) Schools, private, with full curriculum accredited by the State of Texas equivalent to that of a public elementary, middle or high school.
(17) Buildings and uses owned or operated by public governmental agencies.
(18) Other retail, office and service uses of a similar nature subject to the following conditions:
    a. The incidental display or sale of merchandise placed on private sidewalks in front of the store selling the merchandise shall be allowed during store operating hours. Uses involving overnight outside display of merchandise shall be prohibited except for seasonal sales for periods not to exceed 30 consecutive days and a maximum 60 days per year (i.e. Christmas tree sales and sidewalk sales).
    b. Outside storage or display is prohibited, except as noted in section “a.” above.
    c. Platted front and side yards shall not be used for storage of merchandise, equipment, or waste containers, except as noted in section “a.” above.
    d. The use not be objectionable because of odor, excessive light, smoke, dust, noise, vibration, or similar nuisance.
    e. Only residential uses shall be allowed in apartment and townhouse units except commercial uses qualifying as a home occupation.
(19) Temporary buildings for uses incidental to construction work on the premises. Such buildings shall be removed upon the completion or abandonment of construction work.
(20) Accessory buildings and uses customarily incidental to any of the above uses, provided that such not be objectionable because of odor, smoke, dust, noise, vibration or similar nuisance.
(21) Bed and breakfast (SUP required).
(22) Private Utility Plants or Sub-stations (including alternative energy) (SUP required).
(23) Gas and oil drilling accessory uses (SUP required).
(24) Cemetery, columbarium, mausoleum and accessory uses (SUP required).
(25) Brewery, distillery, or winery.
(26) Hotels, motels and inns with rooms containing a cooktop or oven (SUP required).

(b) *Mix of uses required*. No building permit for apartments or townhouses may be issued unless there is also a building permit issued for a minimum of 450 square feet of building space for retail or office uses for every dwelling unit within any development, or such space already exists and will remain within the shopping center or development. The city council may consider alternatives to this

SECTION 17-22.8.2 - "MU" MIXED USE DISTRICT REGULATIONS

(a)

Use. The MU district is intended to provide a planning, regulatory, and management framework for the design, development, and operation of mixed-use centers which promote social interaction, community identity, and efficient use of land and resources. The MU district should also support and encourage a variety of transportation options, including transit, bicycles, and walking.

Uses may include, but are not limited to:

(1) Department stores and similar retail stores.
(2) Professional service offices, such as doctors, attorneys, architects, engineers, real estate, insurance and veterinarian clinics with no outside runs.
(3) Restaurants, including those with outdoor seating areas.
(4) Apartments (for sale or for rent units) and single family attached dwelling units (townhouses).
(5) Grocery stores.
(6) Video rental stores, movie theaters and other indoor amusements.
(7) Barber and beauty shops.
(8) Book, card, gift and stationary stores.
(9) Dry cleaning and laundry services.
(10) Gasoline service stations, excluding those with motor or transmission repair services (SUP required).
(11) Florists.
(12) Day nurseries.
(13) Hotels.
(14) Automobile parking structures.
(15) Church worship facilities.
(16) Buildings and uses owned or operated by public governmental agencies.
(17) Other retail, office and service uses of a similar nature provided that the business supplies the everyday needs of the immediate neighborhood and is subject to the following conditions:
   a. The incidental display or sale of merchandise placed on private sidewalks in front of the store selling the merchandise shall be allowed during store operating hours. Uses involving overnight outside display of merchandise shall be prohibited except for seasonal sales for periods not to exceed 30 consecutive days and a maximum 60 days per year (i.e. Christmas tree sales and sidewalk sales).
   b. Outside storage is prohibited.
   c. Platted front and side yards shall not be used for storage of merchandise, equipment, or waste containers, except as noted in section “a.” above.
   d. The use not be objectionable because of odor, excessive light, smoke, dust, noise, vibration, or similar nuisance.
   e. Only residential uses shall be allowed in Apartment and Townhouse units except commercial uses qualifying as a Home Occupation.
(18) Temporary buildings for uses incidental to construction work on the premises. Such buildings shall be removed upon the completion or abandonment of construction work.
(19) Accessory buildings and uses customarily incidental to any of the above uses, provided that such not be objectionable because of odor, smoke, dust, noise, vibration or similar nuisance.
(20) Bed and breakfast (SUP required).
(21) Private Utility Plants or Sub-stations (including alternative energy) (SUP required).
(22) Cemetery, columbarium, mausoleum and accessory uses (SUP required).
(23) Brewery, distillery, or winery.
(24) Hotels, motels and inns with rooms containing a cooktop or oven (SUP required).

(b) *Height*. No building shall exceed (80) feet in height, except that a building may be erected to a height of more than 80 feet if set back from all required yard lines a distance of one (1) foot for each two (2) feet of additional height above 80 feet.

SECTION 17-22.8.3 - "MU-90" MIXED USE NINETY DISTRICT REGULATIONS

(a) *Use.* The MU-90 district is intended to provide a planning, regulatory, and management framework for the design, development, and operation of urban mixed-use centers which promote social interaction, community identity, and efficient use of land and resources. The MU-90 district should also support and encourage a variety of transportation options, including transit, bicycles, and walking. The zoning district is applicable primarily to large undeveloped properties where higher density residential and commercial uses are appropriate. An application for MU-90 zoning must represent a site containing a minimum of 90 acres.

Uses may include, but are not limited to:

(1) Department stores and similar retail stores.
(2) Professional service offices, such as doctors, attorneys, architects, engineers, real estate, insurance and veterinarian clinics with no outside runs.
(3) Restaurants, including those with outdoor seating areas.
(4) Apartments (for sale or for rent units) and single family attached dwelling units (townhouses).
(5) Grocery stores.
(6) Video rental stores, movie theaters and other indoor amusements.
(7) Barber and beauty shops.
(8) Book, card, gift and stationary stores.
(9) Dry cleaning and laundry services.
(10) Gasoline service stations, excluding those with motor or transmission repair services (SUP required).
(11) Florists.
(12) Day nurseries.
(13) Hotels.
(14) Automobile parking structures
(15) Church worship facilities.
(16) Buildings and uses owned or operated by public governmental agencies.
(17) Other retail, office and service uses of a similar nature provided that the business supplies the everyday needs of the immediate neighborhood and is subject to the following conditions:
   a. The incidental display or sale of merchandise placed on private sidewalks in front of the store selling the merchandise shall be allowed during store operating hours. Uses involving overnight outside display of merchandise shall be prohibited except for seasonal sales for periods not to exceed 30 consecutive days and a maximum aggregate of 60 days per year (i.e. Christmas tree sales and sidewalk sales).
   b. Outside storage is prohibited.
   c. Platted front and side yards shall not be used for storage of merchandise, equipment, or waste containers, except as noted in section “a.” above.
   d. The use not be objectionable because of odor, excessive light, smoke, dust, noise, vibration, or similar nuisance.
   e. Only residential uses shall be allowed in Apartment and Townhouse units except commercial uses qualifying as a Home Occupation.
(18) Temporary buildings for uses incidental to construction work on the premises. Such buildings shall be removed upon the completion or abandonment of construction work.
(19) Accessory buildings and uses customarily incidental to any of the above uses, provided that such not be objectionable because of odor, smoke, dust, noise, vibration or similar nuisance.
(20) Bed and breakfast (SUP required).
(21) Private Utility Plants or Sub-stations (including alternative energy) (SUP required).
(22) Cemetery, columbarium, mausoleum and accessory uses (SUP required).
(23) Brewery, distillery, or winery.
(24) Hotels, motels and inns with rooms containing a cooktop or oven (SUP required).

(b) *Height*. Height regulations shall be determined by the building and fire codes.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, AMENDING CHAPTER 17, ZONING, OF THE LEWISVILLE CITY CODE, BY AMENDING SECTION 17-3, DEFINITIONS, TO ADD A DEFINITION OF A CHAPTER 748 OPERATION; AND SECTION 17-20, MEDICAL DISTRICT, TO ALLOW, WITH A SPECIAL USE PERMIT, A CHAPTER 748 OPERATION; AND BY AMENDING THE FOLLOWING ZONING DISTRICTS TO ALLOW, WITH A SPECIAL USE PERMIT, HOTELS, MOTELS, AND INNS WITH ROOMS THAT HAVE A COOKTOP OR OVEN: SECTION 17-22, GENERAL BUSINESS DISTRICT; SECTION 17-22.6, OLD TOWN CENTER DISTRICT; SECTION 17-22.7, OLD TOWN MIXED USE 2 DISTRICT; SECTION 17-22.8.1, MIXED USE SHOPPING CENTER DISTRICT; SECTION 17-22.8.2, MIXED USE DISTRICT; AND SECTION 17-22.8.3, MIXED USE NINETY DISTRICT; PROVIDING FOR SEVERABILITY; PROVIDING A PENALTY; PROVIDING A REPEALER; PROVIDING AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

WHEREAS, the City Council of the City of Lewisville has determined that for the health, welfare and safety of its citizens certain amendments to the Lewisville City Code of Ordinances, Chapter 17, Zoning, are necessary.

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

SECTION 1. Chapter 17, Section 17-3, Definitions and Additional Use Regulations, is hereby amended by inserting the following definition:

Chapter 748 Operation shall mean a residential child-care operation that provides child care, including treatment services and/or programmatic services, for 13 or more children or young adults, which is regulated by Chapter 748, Title 40, of the Texas Administrative Code.

SECTION 2. Chapter 17, Section 17-20, "MD" Medical District Regulations, Subsection (a), Use, is hereby amended by inserting the following use:

(22) Chapter 748 Operation (SUP required).

SECTION 3. Chapter 17, Section 17-22, "GB" General Business District Regulations, Subsection (a), Use, is hereby amended by inserting the following use:

(35) Hotels, motels and inns with rooms containing a cooktop or oven (SUP required).

SECTION 4. Chapter 17, Section 17-22.6, "OTC" Old Town Center Business District Regulations, Subsection (a), Use, is hereby amended by inserting the following use:

(21) Hotels, motels and inns with rooms containing a cooktop or oven (SUP required).

SECTION 5. Chapter 17, Section 17-22.7, "OTMU2" Old Town Mixed Use 2 District Regulations, Subsection (a), Use, is hereby amended by inserting the following use:

(31) Hotels, motels, and inns with rooms containing a cooktop or oven (SUP required).

SECTION 6. Chapter 17, Section 17-22.8.1, "MU-SC" Mixed Use-Shopping Center District Regulations, Subsection (a), Use, is hereby amended by inserting the following use:

(26) Hotels, motels, and inns with rooms containing a cooktop or oven (SUP required).

SECTION 7. Chapter 17, Section 17-22.8.2, "MU" Mixed Use District Regulations, Subsection (a), Use, is hereby amended by inserting the following use:

(24) Hotels, motels and inns with rooms containing a cooktop or oven (SUP required).

SECTION 8. Chapter 17, Section 17-22.8.3, "MU-90" Mixed Use Ninety District Regulations, Subsection (a), Use, is hereby amended by inserting the following use:

(24) Hotels, motels and inns with rooms containing a cooktop or oven (SUP required).

SECTION 9. REPEALER. Every ordinance or parts of ordinances found to be in conflict herewith are here by repealed.

SECTION 10. SEVERABILITY. If any section, sentence, clause, or phrase of this ordinance shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining sections, sentences, clauses, or phrases of this ordinance, but they shall remain in effect.

SECTION 11. PENALTY. Any person, firm or corporation who violates any provisions of this Ordinance shall be deemed guilty of a misdemeanor and, upon conviction thereof in the Municipal Court, shall be subject to a fine of not more than $2,000.00 for each offense, and each and every day such offense is continued shall constitute a new and separate offense.

SECTION 12. EFFECTIVE DATE. This Ordinance shall take effect and be in full force and effect from and after the date of its passage and publication as required by law.

SECTION 13. EMERGENCY. It being for the public welfare that this Ordinance be passed creates an emergency and public necessity and the rule requiring this Ordinance be read on three separate occasions be, and the same is hereby, waived and this Ordinance shall be in full force and effect from and after its passage and approval and publication, as the law in such cases provides.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, BY A VOTE OF _____ TO _____, ON THIS THE 7TH DAY OF DECEMBER, 2015.

APPROVED:

_____
Rudy Durham, MAYOR

ATTEST:

_____
Julie Heinze, CITY SECRETARY

APPROVED AS TO FORM:

_____
Lizbeth Plaster, CITY ATTORNEY

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Brenda Martin, Director of Finance

DATE: November 19, 2015

SUBJECT: **Approval of a Supplemental Appropriation for Prior Year Encumbrances in the Following Amounts: General Fund - $396,363; 2025 Implementation/Incentives Fund - $261,054; Hotel/Motel Fund - $16,494; Recreation Fund - $2,726; PEG Programming Fund - $125,803; Asset Forfeiture-State Fund - $209,643; Grants Fund - $31,354; Crime Control & Prevention District Fund - $141,979; Utility Fund - $348,392; Maintenance & Replacement Fund - $90,169; Self-Insurance Risk Fund - $8,436; and Health Insurance Trust Fund - $3,399.**

BACKGROUND

Each year a recommendation is made to supplementally appropriate funds for open purchase orders from the prior year. Open purchase orders are defined as those purchase orders that have been issued, but not all of the ordered goods or services have been received.

ANALYSIS

Purchase orders that have been issued during a fiscal year, but in which the goods or services have not been received in-hand or performed, may not, in conformance with generally accepted accounting principles, be expenses until received or performed. At year end these items represent amounts that are shown in the financial statements as restrictions to fund balance or net assets in the various funds of the City.

As a result, when the items or services are received in the current fiscal year, they are charged to the current year budget. Unless the current fiscal year appropriations are amended to provide for these charges, funds in the affected line item accounts will be short at year-end or expenditures would need to be reduced to offset the prior year purchase.

Subsequent to the close of the 2015 fiscal year, outstanding purchase orders from said fiscal year are extensively reviewed. If the order has been received or is expected to be received by the end of the current 2016 fiscal year, then recommendation is made that the funds be appropriated as an addition to the current budget year.

This year's listing of purchase orders open at the end of Fiscal Year 2015 is detailed on the attached spreadsheet.

RECOMMENDATION

It is City staff's recommendation that the City Council approve the supplemental appropriations as set forth in the caption above.

OUTSTANDING PO'S
FISCAL YEAR 2014-2015

ACCOUNT	PO NUMBER	ENC. DATE	VENDOR	PO DESCRIPTION	OUTSTANDING	COMMENTS
101.01.101.4351	2015-00000380	11/17/2014	TBG PARTNERS, INC	Professional Services	$8,759.46	Services not completed
101.01.101.4351	2015-00000517	12/22/2014	BURNS & MCDONNELL ENGINEERING CO INC	Professional Services	$3,811.52	Services not completed
101.01.101.4355	2015-00000055	11/17/2014	LLOYD,GOSSELINK,ROCHELLE &TOWNSEND	Professional Services	$4,121.77	Services not completed
101.01.101.4358	2015-00000177	11/17/2014	TBG PARTNERS, INC	Professional Services	$12,313.67	Services not completed
101.01.102.4355	2015-00000058	11/17/2014	BLACKBURN CARTER, PC	Professional Services	$51,742.13	Services not completed
101.07.250.4227	2015-00000563	1/7/2015	GT DISTRIBUTORS INC	Ammunition	$3,508.80	Paid October
101.07.250.4243	2015-00001099	5/27/2015	AMTEC LESS-LETHAL SYSTEMS, INC	Police Training Supplies	$640.00	Should be complete in Dec.
101.07.251.4222	2015-00001326	8/10/2015	RED THE UNIFORM TAILOR	Uniforms	$4,465.55	Partially Paid/Complete Dec.
101.07.251.4222	2015-00001462	9/1/2015	RED THE UNIFORM TAILOR	Uniforms	$160.20	Should be complete in Dec.
101.07.251.4243	2015-00001437	8/27/2015	BMI DEFENSE SYSTEMS, INC	Police Training Supplies	$1,775.00	Paid October
101.07.251.4351	2015-00001172	6/16/2015	BIRKHOFF HENDRICKS & CARTER LLP	Professional Services	$10,000.00	Services not completed
101.07.257.4243	2015-00001630	9/30/2015	WORKPLACE RESOURCE GROUP	Furniture	$5,266.28	Should be complete in Dec.
101.07.257.4243	2015-00001483	9/3/2015	ENDURA LLC	Furniture	$5,008.00	Paid October
101.07.258.4243	2015-00001534	9/9/2015	PREFERRED TECHNOLOGY SOLUTIONS	Video Surveillance Equipment	$6,120.00	Paid October
101.07.258.4243	2015-00001537	9/10/2015	CINGL TELECOM LLC	Camera, Cabeling and Installation	$2,573.63	Paid October
101.08.258.4315	2015-00001505	9/9/2015	OVERHEAD DOOR COMPANY OF DALLAS	Steel Service Doors	$9,600.00	Paid October
101.08.258.4315	2015-00001570	9/10/2015	VECTOR CONCEPTS INC	Carpet	$7,113.80	Should be complete in Dec.
101.08.258.4315	2015-00001626	9/30/2015	KG'S AC & HEATING LLC	A/C System	$5,660.00	Paid October
101.08.258.4323	2015-00001542	9/10/2015	4M BODY WORKS & PAINT	Vehicle Repair	$4,200.00	Should be complete in Jan.
101.08.270.4223	2015-00001391	8/20/2015	NAFECO	Fire Bunker Gear	$1,960.59	Paid October
101.08.270.4223	2015-00001397	8/20/2015	NAFECO	Fire Bunker Gear	$1,960.59	Paid October
101.08.270.4351	2015-00001489	9/4/2015	CONSOLIDATED FLEET SERVICES INC	Inspection Service	$2,222.00	Paid November
101.09.110.4315	2015-00001577	9/10/2015	VECTOR CONCEPTS INC	Carpet	$11,506.21	Should be complete in Dec.
101.09.110.4321	2015-00000466	12/9/2014	WEBQA INC	Software Integration	$2,000.00	Should be complete in Dec.
101.09.310.4260	2015-00001368	8/18/2015	CSC-VIKIMATIC	Building Repairs	$2,238.50	Should be complete in Dec.
101.09.310.4260	2015-00001377	8/19/2015	CSC-VIKIMATIC	Building Repairs	$1,280.07	Paid October
101.09.310.4315	2015-00001474	9/3/2015	3D MECHANICAL/SERVICE COMPANY, INC	Equipment Repairs	$1,946.29	Should be complete in Dec.
101.09.310.4315	2015-00001540	9/10/2015	PAYLESS HOME REPAIR	Building Repairs	$5,196.81	Paid October
101.09.310.4315	2015-00001560	9/10/2015	AUTOMATIC ACCESS DOORS, INC	Building Repairs	$4,303.00	Paid November
101.09.310.4315	2015-00001565	9/10/2015	CSC-VIKIMATIC	Building Repairs	$4,328.50	Should be complete in Dec.
101.09.315.090.4260	2015-00001475	9/3/2015	TEXAS HIGHWAY PRODUCTS LTD	Traffic Supplies	$1,087.00	Should be complete in Dec.
101.09.315.090.4260	2015-00001476	9/3/2015	CENTERLINE SUPPLY	Traffic Supplies	$2,280.00	Paid November
101.09.315.092.4243	2015-00001445	8/31/2015	TRANTEX TRANSPORTATION PRODUCTS OF TX INC	Equipment	$5,200.00	Paid November
101.09.315.092.4315	2015-00001375	8/19/2015	STRIPE-A-ZONE INC.	Traffic Supplies	$5,552.40	Partially Paid/Complete Dec.
101.10.470.161.4260	2015-00001378	8/19/2015	PLAYWELL GROUP	Playground Equipment	$4,914.23	Paid November
101.10.470.162.4243	2015-00001482	9/3/2015	MSC INDUSTRIAL SUPPLY CO INC	Equipment	$1,758.87	Paid November
101.10.470.162.4260	2015-00001419	8/26/2015	GAME TIME	Equipment	$2,047.28	Paid November
101.10.480.4223	2015-00001523	9/9/2015	PRESIDIO NETWORKED SOLUTIONS GROUP	Professional Services	$3,232.32	Paid October
101.11.110.4243	2015-00001426	8/26/2015	KRUEGER INTERNATIONAL, INC	Furniture	$413.28	Paid November
101.11.110.4243	2015-00001427	8/26/2015	INSTALLATION MASTERS GROUP, INC.	Furniture Installation	$100.00	Waiting on invoice.
101.12.121.4364	2015-00000913	4/2/2015	AOT PUBLIC SAFETY CORPORATION	Software Upgrade	$5,400.00	Should be complete in Dec.
101.13.110.4243	2015-00001575	9/10/2015	CDW GOVERNMENT, INC	Equipment	$6,197.83	Should be complete in Dec.
101.13.110.4358	2015-00001504	9/9/2015	PERSAILE, JEFF	Training Material	$1,455.00	Paid November
101.13.110.4391	2015-00001078	5/14/2015	MICHAEL C FINA	Employee Service Awards	$672.25	Paid November
101.13.110.4391	2015-00001469	9/2/2015	4IMPRINT INC	Advertisement	$555.50	Paid November
101.14.150.4351	2015-00000742	2/6/2015	UNIVERSITY OF NORTH TEXAS	Professional Services	$34,950.00	Services not completed
101.14.150.4351	2015-00001163	6/15/2015	VISION INTERNET PROVIDERS INC	Professional Services	$13,500.00	Services not completed
101.15.160.4351	2015-00001582	9/10/2015	PARSONS BRINCKERHOFF AMERICAS INC	Professional Services	$68,000.00	Services not completed
101.15.160.4357	2015-00000350	11/17/2014	MIXED MEDIA CREATIONS	Professional Services	$4,675.00	Services not completed
101.15.160.4357	2015-00001455	9/1/2015	CATALYST COMMERCIAL INC	Professional Services	$25,000.00	Services not completed
101.15.160.4357	2015-00001487	9/4/2015	ED SUITE	Professional Services	$14,266.00	Partially Paid/Services not completed
101.18.110.4243	2015-00001589	9/10/2015	PCMG, INC	ITS Equipment	$466.99	Paid November

OUTSTANDING PO'S
FISCAL YEAR 2014-2015

101.18.110.4351	2015-00001448	8/31/2015	INSTALLATION MASTERS GROUP, INC.	Furniture Installation	$710.00	Should be complete in Dec.
101.20.110.4223	2015-00001452	8/31/2015	PRINTING CONCEPTS, LLC	Library Cards	$1,166.00	Paid November
101.30.200.4361	2015-00000363	11/25/2014	NORTH CENTRAL TEXAS COUNCIL	Professional Services	$3,531.62	Services not completed
101.15.160.4357	2015-00001603	9/15/2015	KRUEGER INTERNATIONAL, INC	Furniture	$3,039.36	Should be complete in Dec.
101.15.160.4357	2015-00001604	9/15/2015	INSTALLATION MASTERS GROUP, INC.	Furniture Installation	$410.00	Should be complete in Dec.
			TOTAL GENERAL FUND		**$396,363.30**	
150.03.110.4351	2015-00001224	7/7/2015	STRATEGIC COMMUNITY SOLUTIONS LLC	Professional Services	$9,137.13	Services not completed
150.03.110.4351	2015-00001458	9/1/2015	PECK & ASSOCIATES INC, WILLIAM	Professional Services	$45,000.00	Services not completed
150.03.110.4351	2015-00001467	9/2/2015	TRANSFORM GLOBAL, LLC	Professional Services	$11,167.00	Paid November
150.03.110.4351	2015-00001526	9/9/2015	DEALERS ELECTRICAL SUPPLY	LED Lighting	$37,321.26	Partially Paid/Services not completed
150.03.110.4351	2015-00001545	9/10/2015	CSC-VIKIMATIC	LED Lighting	$37,304.04	Should be completed in Jan.
150.03.110.4351	2015-00001546	9/10/2015	CSC-VIKIMATIC	LED Lighting	$5,411.75	Partially Paid/complete in Dec.
150.03.110.4351	2015-00001547	9/10/2015	CSC-VIKIMATIC	LED Lighting	$6,806.82	Partially Paid/complete in Dec.
150.03.110.4351	2015-00001548	9/10/2015	CSC-VIKIMATIC	LED Lighting	$45,249.02	Should be complete in Dec.
150.03.110.4351	2015-00001549	9/10/2015	TRITON SUPPLY, INC.	LED Lighting	$9,329.00	Should be complete in Dec.
150.03.110.4351	2015-00001550	9/10/2015	ENVIRONMENTAL LIGHTING SERVICE LLC	LED Lighting	$6,307.97	Should be complete in Dec.
150.03.110.4351	2015-00001551	9/10/2015	CSC-VIKIMATIC	LED Lighting	$16,750.00	Paid November
150.03.110.4351	2015-00001582	9/10/2015	PARSONS BRINCKERHOFF AMERICAS INC	Professional Services	$31,270.00	Services not completed
			TOTAL IMPLEMENTATION/INCENTIVES FUND		**$261,053.99**	
230.14.152.4315	2015-00001578	9/10/2015	CSC-VIKIMATIC	Occupancy switch for MCL Grand Gallery	$3,552.29	Should be complete in Dec.
230.14.152.4315	2015-00001594	9/10/2015	BASIC IDIQ, INC	Installation of occupancy switch at MCL Grand gallery	$1,552.00	Should be complete in Dec.
230.14.152.4351	2015-00000288	11/17/2014	VISION INTERNET PROVIDERS INC	Website Development	$6,990.00	Services not completed
230.14.153.4351	2015-00001163	6/15/2015	VISION INTERNET PROVIDERS INC	City website redesign	$4,400.00	Services not completed
			TOTAL HOTEL/MOTEL FUND		**$16,494.29**	
231.10.470.164.4223	2015-00001151	6/10/2015	DALLAS SOUND & LIGHTING	PA System	$2,726.00	Paid October
			TOTAL RECREATION FUND		**$2,726.00**	
232.14.150.4961	2015-00001132	6/4/2015	DIGITAL RESOURCES, INC.	Audio Video	$125,803.00	Partially Paid/complete in Dec.
			TOTAL PEG PROGRAMMING FUND		**$125,803.00**	
241.07.254.4243	2015-00001502	9/9/2015	PATHWAY COMMUNICATIONS LTD	Audio Video	$9,375.00	Paid November
241.07.254.4961	2015-00000041	11/17/2014	LEWISVILLE, CITY OF	Interactive Firearms and Use of Force Simulator	$200,268.00	Please See Note (*)
			TOTAL ASSET FORFEITURE-STATE FUND		**$209,643.00**	
270.08.600.4243	2015-00001587	9/10/2015	DIVE RESCUE INT'L INC	Dive Equipment	$9,523.00	Should be complete in Dec.
270.08.600.4243	2015-000001591	9/10/2015	DIVE RIGHT IN SCUBA, INC.	Dive Equipment	$11,164.92	Paid October
270.08.600.4961	2015-00001463	9/1/2015	DEFENDER SUPPLY, LLC	Safety Lights and Radio Installation	$6,699.91	Should be completed in Jan.
270.08.600.4961	2015-00001529	9/9/2015	CAMPING WORLD, INC	A/C & Electrical for New Rehab Unit	$2,670.88	Should be completed in Jan.
280.40.383.600.4351	2015-00000368	11/17/2014	ABACUS ENVIRONMENT INC	Professional Services	$545.00	Should be complete in Dec.
280.40.383.600.4351	2015-00001403	8/21/2015	A-STAR RENOVATION COMPANY	Housing Rehab Work	$750.00	Should be complete in Dec.
			GRANTS FUND TOTAL		**$31,353.71**	
285.07.102.4961	2015-00001010	4/28/2015	FLIR DETECTION, INC	SkyWatch Tower with Cameras	$141,979.00	Partially Paid/complete in Dec.
			TOTAL CRIME CONTROL & PREVENTION FUND		**$141,979.00**	
402.01.102.4361	2015-00000379	11/17/2014	CADG BELLEVILLE VILLAGE, LLC	Professional Services	$29,723.02	Services not completed
402.03.350.135.4351	2015-00001568	9/10/2015	TRANE COMPANY	New AC Unit	$7,320.00	Paid November
402.09.110.4351	2015-00001562	9/10/2015	CSC-VIKIMATIC	LED Lighting	$24,826.58	Partially Paid/complete in Dec.
402.09.110.4358	2015-00000691	1/28/2015	MCCREARY & ASSOCIATES INC	Professional Services	$12,766.00	Services not completed
402.09.110.4358	2015-00000948	4/9/2015	MCCREARY & ASSOCIATES INC	Professional Services	$8,360.00	Services not completed
402.09.110.4358	2015-00000963	4/13/2015	FREESE & NICHOLS, INC	Professional Services	$4,425.69	Services not completed
402.09.110.4358	2015-00000965	4/13/2015	PERKINS ENGINEERING CONSULTANTS INC	Professional Services	$34,193.48	Partially Paid/services not completed
402.09.110.4358	2015-00000966	4/13/2015	HDR ENGINEERING, INC.	Professional Services	$46,789.80	Services not completed
402.09.325.100.4315	2015-00001486	9/4/2015	TEXAS FURNITURE SOURCE INC	Furniture	$4,207.84	Should be complete in Dec.
402.09.325.101.4351	2015-00001517	9/9/2015	MUNICIPAL VALVE & EQUIPMENT CO INC	Equipment Repairs	$5,199.87	Paid November
402.09.325.103.4268	2015-00001470	9/2/2015	CAPSTONE METERING LLC	Water Meters	$4,625.00	Paid November
402.09.330.110.4243	2015-00001425	8/26/2015	TEREX SERVICES	Equipment	$4,959.00	Paid November
402.09.330.110.4260	2015-00001515	9/9/2015	ODESSA PUMPS & EQUIPMENT INC	Equipment Repairs	$12,554.00	Should be complete in Dec.
402.09.330.110.4260	2015-00001516	9/9/2015	ENVIRONMENTAL IMPROVEMENTS INC	Equipment Repairs	$6,710.40	Paid November

OUTSTANDING PO'S
FISCAL YEAR 2014-2015

402.09.330.110.4260	2015-00001530	9/9/2015	HIGH SPEED DATA	Security Fiber Lines	$1,975.00	Services not completed
402.09.345.130.4260	2015-00000572	1/9/2015	NEWMAN REGENCY GROUP INC	Equipment Repairs	$8,819.00	Should be complete in Dec.
402.09.345.130.4260	2015-00001334	8/12/2015	ROTASERV, LP.	Equipment Repairs	$5,529.57	Should be complete in Dec.
402.09.345.130.4260	2015-00001401	8/21/2015	JERSEY EQUIPMENT COMPANY	Equipment Repairs	$8,146.00	Paid November
402.09.345.130.4260	2015-00001402	8/21/2015	ENVIRONMENTAL IMPROVEMENTS INC	Equipment Repairs	$5,510.00	Should be complete in Dec.
402.09.345.130.4260	2015-00001424	8/26/2015	HARTWELL ENVIRONMENTAL CORPORATION	Equipment Repairs	$3,520.00	Should be complete in Dec.
402.09.345.130.4315	2015-00001351	8/14/2015	ARCHER WESTERN CONSTRUCTION, LLC	Equipment Repairs	$10,000.00	Paid November
402.09.345.130.4315	2015-00001552	9/10/2015	ARCHER WESTERN CONSTRUCTION, LLC	Equipment Repairs	$45,000.00	Services not completed
402.09.345.131.4321	2015-00001344	8/14/2015	JAVELINA MECH. SERVICES INC	Equipment Repairs	$8,193.00	Services not completed
402.09.345.131.4321	2015-00001346	8/14/2015	ANDRITZ SEPARATION INC	Equipment Repairs	$32,960.00	Services not completed
402.09.345.131.4321	2015-00001513	9/9/2015	XYLEM, INC.	Equipment Repairs	$5,205.00	Paid November
402.09.350.134.4367	2015-00000071	11/17/2014	PACE ANALYICAL SERVICES INC	Environmental Analysis	$2,917.00	Paid November
402.09.350.135.4223	2015-00000971	4/15/2015	TAYLOR DISTRIBUTION GROUP, LLC	Laboratory Supplies	$1,072.04	Paid November
402.12.123.4351	2015-00000004	11/17/2014	STW INC	Professional Services	$1,134.37	Services not completed
402.12.123.4351	2015-00001584	9/10/2015	STW INC	Software Upgrade	$1,750.00	Services not completed
			TOTAL UTILITY FUND		**$348,391.66**	
503.09.360.4243	2015-00001581	9/10/2015	MACHOVEC	Equipment	$2,279.41	Paid November
503.09.360.4243	2015-00001618	9/22/2015	SECURADYNE SYSTEMS TEXAS LLC	Security System	$8,756.37	Paid November
503.09.360.4323	2015-00001468	9/2/2015	SLALOM SHOP BOATS & YACHTS	Fire Boat Repair	$2,849.00	Paid November
503.09.360.4961	2015-00001038	5/5/2015	SLALOM SHOP BOATS & YACHTS	Fire Boat Engine	$7,421.92	Paid November
503.09.360.4981	2015-00000907	4/1/2015	CALDWELL COUNTRY FORD	Vehicle Purchase	$26,429.16	Should be complete in Dec.
503.09.360.4981	2015-00001466	9/2/2015	SILSBEE FORD INC	Vehicle Purchase	$31,766.00	Should be complete in Dec.
503.152	2015-00001478	9/3/2015	4M BODY WORKS & PAINT	Vehicle Repair	$1,367.00	Should be complete in Dec.
503.18.110.4351	2015-00001528	9/9/2015	VISION INTERNET PROVIDERS INC	Website Design	$9,300.00	Services not completed
			TOTAL MAINTENANCE & REPLACEMENT FUND		**$90,168.86**	
504.13.142.4355	2015-00000443	11/17/2014	FORD NASSEN & BALDWIN, P. C.	Professional Services	$8,436.36	Services not completed
			TOTAL SELF-INSURANCE RISK FUND		**$8,436.36**	
505.13.141.4792	2015-00001469	9/2/2015	4IMPRINT INC	Advertisement	$3,399.29	Paid November
			TOTAL HEALTH INSURANCE TRUST FUND		**$3,399.29**	
			GRAND TOTAL		**$1,635,812.46**	

(*) The Purchase Order for the Interactive Firearms and Use of Force Simulator was made out to the City of Lewisville temporarily pending the Police Departments' Standardization of Hand Guns.

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Lisa Weaver, Sustainability Manager

VIA: Steven L. Bacchus, Assistant City Manager

DATE: November 17, 2015

SUBJECT: **Approval of a Resolution Acknowledging the 2016 Waste Management Cost of Service Rates and Resulting Customer Rates for Residential and Multi-Family Solid Waste/Recycling Services and Commercial Solid Waste Collection and Disposal Services.**

BACKGROUND

In April 2014, Council approved Ordinance No. 4062-04-2014 establishing a franchise agreement with Waste Management (WM) for solid waste/recycling collection services for residential and multi-family customers and solid waste collection and disposal services for commercial customers. Ordinance No. 4062-04-2014 became effective August 4, 2014. Per the agreement, the WM cost of service rates are to be adjusted annually by the percentage increase in the DFW Consumer Price Index (CPI) for the preceding twelve month period. Adjustments take effect on January 1 of the subsequent contract year. Due to the August 2014 effective date for the franchise agreement and the resulting rate changes associated with the new agreement, no CPI adjustment was made to cost of service rates in 2015 by mutual agreement of the City and WM. The first CPI adjustment to the 2014 rates was planned for January 1, 2016.

The franchise ordinance also grants City Council the authority to establish customer rates for residential, multi-family and commercial solid waste and recycling services covered by the franchise. Customer rates were set forth in 2014 in Ordinance No. 4094-07-2014 (Residential, Multi-Family, and Commercial Front Load Rates) and Ordinance No. 4133-11-2014 (Roll-Off Rates).

ANALYSIS

The current CPI for the DFW area as published by the Bureau of Labor Statistics reflects a decrease of 0.854 percent. As a result, WM is not seeking an adjustment to cost of service rates for 2016 and cost of service rates will not change. Since the cost of service rates will remain the same, and adjustments to customer rates established by Council are typically made when CPI adjustments are made to WM's cost of service, staff recommends that customer rates remain unchanged for 2016. No revisions to the fee ordinance will be required if customer rates stay the same. City Council acknowledgement and approval of rate adjustments must be provided to WM by December 20 each year per the franchise agreement. The proposed resolution satisfies that requirement.

RECOMMENDATION

It is City staff's recommendation that the Council approve the resolution as set forth in the caption above.

November 16, 2015

Ms. Lisa Weaver
Sustainability Manager
City of Lewisville
151 West Church Street
Lewisville, TX 75029

RE: Solid Waste & Recycling Collection Agreement - Annual Price Adjustment

Dear Lisa,

On April 17, 2014, the City of Lewisville and Waste Management of Texas, Inc. entered into a solid waste & recycling collection contract. Under City Ordinance No. 4062-04-2014, Attachment E stipulated that "annual adjustments of Cost of Service Rates set forth in this Contract shall be made at the end of each Contract year by the percentage of increase for the preceding twelve (12) month period in the Consumer Price Index (CPI) for Dallas Fort Worth area, as published by the U.S. Department of Labor, Bureau of Labor Statistics."

Attached is the CPI data used to determine if any increase is allowed under the contract. The most recent CPI for the Dallas Fort Worth area for the last 12-month period has actually decreased by 0.9%. Therefore, Waste Management will not be increasing Cost of Service rates on January 1, 2016, and all current Cost of Service rates under the Contract will remain the same for 2016.

Please let me know if you have any questions or need any additional information.

Sincerely,

Rick Losa
Director of Public Sector Solutions
Waste Management of Texas, Inc.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, ACKNOWLEDGING THE 2016 WASTE MANAGEMENT COST OF SERVICE RATES AND RESULTING CUSTOMER RATES FOR RESIDENTIAL AND MULTI-FAMILY SOLID WASTE/RECYCLING SERVICES AND COMMERCIAL SOLID WASTE COLLECTION AND DISPOSAL SERVICES.

WHEREAS, City Council approved Ordinance No. 4062-04-2014 in April 2014 with an effective date of August 4, 2014, which ordinance sets forth the franchise agreement terms between the City and Waste Management (WM) for Residential and Multi-Family Solid Waste/Recycling Services and Commercial Solid Waste Collection and Disposal Services; and,

WHEREAS, Ordinance No. 4062-04-2014 identifies WM's 2014 cost of service rates for all services provided under the franchise agreement; and,

WHEREAS, Ordinance No. 4062-04-2014 provides a method for WM to adjust cost of service rates annually using the Dallas Fort Worth (DFW) area Consumer Price Index ; and,

WHEREAS, Ordinance No. 4062-04-2014 grants the City Council authority to establish customer rates for all services provided under the franchise agreement annually; and,

WHEREAS, City Council established customer rates in 2014 through Ordinance No. 4094-07-2014 (Residential, Multi-Family and Commercial Front Load Customers) and Ordinance No. 4133-11-2014 (Roll-Off Customers); and

WHEREAS, the applicable DFW CPI as of September 2015 reflects a decrease of 0.854 percent and WM is therefore not seeking an increase in cost of service rates for 2016;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, THAT:

SECTION 1. WM's cost of service rates as established by Ordinance No. 4062-04-2014 shall remain unchanged for 2016.

SECTION 2. Residential, Multi-Family and Commercial customer rates as established by the City Council in Ordinance No. 4094-07-2014 and Ordinance No. 4133-11-2014 shall remain unchanged for 2016.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, ON THIS THE 7TH DAY OF DECEMBER, 2015.

APPROVED:

_____
Rudy Durham, MAYOR

ATTEST:

_____
Julie Heinze, CITY SECRETARY

APPROVED AS TO FORM:

_____
Lizbeth Plaster, CITY ATTORNEY

ATTACHMENT E

COST OF SERVICE

COST ADJUSTMENT METHOD

Subject to the express limitations of rate increases set forth in the Contract, annual adjustments of Cost of Service Rates set forth in this Contract shall be made at the end of each Contract year by the percentage of increase for the preceding twelve (12) month period in the Consumer Price Index (CPI) for the Dallas/Fort Worth area as published by the U.S. Department of Labor, Bureau of Labor Statistics. The percent of change in the index shall be calculated based on the most current available information at the time of the adjustment. If the CPI index specified above is discontinued, the Parties shall agree to substitute another equally authoritative measure of change in the purchasing power of the U.S. dollar as may be then available to carry out the intent of this provision.

Cost adjustments shall not exceed five (5) percent in any Contract Year and fifteen (15) percent in any four consecutive years.

Calculation of the annual CPI adjustment shall be determined by utilizing twelve (12) months prior CPI utilizing the previous year's September determination and effective January 1. City shall provide CPI adjustment to Cost of Services prior to December 20 of each year. City shall also provide City's Commercial Solid Waste Customer rates and Multi-Family Dwelling Recycling rates to Contractor for implementation on January 1 of each year no later than December 20 of the previous year.

Cost adjustments for service rates included in Attachments A, B, C, and D in this Contract shall be handled in the following manner for 2014:

- Attachment A, Schedule of Residential Services and Rates – No adjustment to rates as shown until January 2016
- Attachment B, Options for Additional Residential Services and Rates – No adjustment to rates as shown until January 2015
- Attachment C, Schedule of Commercial Services and Rates – No adjustment to rates as shown until January 2015
- Attachment D, Multi-Family Dwelling Recycling Services and Rates – No adjustment to rates as shown until January 2016 if franchised in initial year of the Contract. If not franchised in the initial year, annual adjustments shall be made as indicated above.

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Gina Thompson, Strategic Services Director

DATE: December 1, 2015

SUBJECT: **Approval of the Location for the 2016 City Council Retreat.**

BACKGROUND:

On September 21, 2015, City Council approved a set of workshop dates which included the 2016 City Council Retreat for February 26 – 27, 2016.

ANALYSIS:

Staff is recommending holding the retreat at the Plano Marriott at Legacy Town Center. This location is recommended based on a number of factors: the mixed-use development around Legacy is one of the most well-executed, true mixed-use developments in the metroplex; Plano's downtown area has seen a surge in activity in recent years including a wrap designed apartment development, as well as city initiated improvements that are currently underway; and Plano recently opened a Nature Center – Oak Point Park and Nature Reserve. As part of the overall retreat, it would be beneficial for council and staff to see these developments and to speak with those instrumental in their success.

RECOMMENDATION

It is City staff's recommendation that the City Council approve the location of the 2016 City Council Retreat.

MEMORANDUM

TO: Melinda Galler, Assistant City Manager

FROM: Nancy Davis, Risk Manager

DATE: December 3, 2015

SUBJECT: **Approval of an Agreement With FW Services, Inc. DBA Pacesetter Personnel Services to Supply Temporary Services for City Departments for a One Year Period With an Option to Renew for Two Additional Years; and Authorization for the City Manager to Execute the Agreement.**

BACKGROUND

For Fiscal Year 2015-2016, the Public Services Department budgeted $121,758 for temporary services for temporary maintenance worker positions. The Streets Division uses temporary workers to supplement City crews and for projects that require additional workers. In the past year temporary workers have been assigned to clean up the right-of-way areas including creeks. Additional funds were approved in the current budget to accomplish "Expanding the Green" as part of Vision 2025. Temporary workers will continue to be utilized to accomplish this initiative. The current contract for temporary services expired this year and staff sent out a request for proposals in April. A staffing agency was selected but was unable to provide labor temporary workers and the contract was revoked in July, 2015. Therefore, staff sent out a second request for proposals for temporary services for labor positions on September 17, 2015. Three companies submitted proposals.

ANALYSIS

FW Services, Inc. DBA Pacesetter Personnel Services is the selected vendor based on the overall requirements of the proposal. They have six offices within a 30 mile radius of the City of Lewisville and they have a one hour guaranteed response time. Their hourly rate is $11.25 which was the lowest hourly rate bid. With 8000 billable hours, this rate falls well below our budget for the year.

Attached is an analysis of the three proposals. The proposals were evaluated on five criteria: internal administration of agency including billing, bond procedures, testing and background procedures; response time; references; cost; and location of agency.

RECOMMENDATION

It is City staff's recommendation that the City Council approve the agreement as set forth in the caption above.

CITY OF LEWISVILLE
PURCHASING DIVISION
EVALUATION OF PROPOSAL FOR TEMPORARY SERVICES
RFP # 15-52-A

			Pacesetter Personnel Services Houston, TX		Results Staffing, Inc. Dallas, TX		Beatty's Services, Inc. New York, NY	
DESCRIPTION	**QTY**	**UOM**	**UNIT PRICE**	**TOTAL**	**UNIT PRICE**	**TOTAL**	**UNIT PRICE**	**TOTAL**
Laborer	8,000	HR	**$11.25**	**$87,040.00**	**$13.25**	**$93,040.00**	**$18.00**	**$110,240.00**
			$101,290.00		**$111,890.00**		**$127,760.00**	

EVALUATION FACTORS	POINTS			
Internal Administration of Agency	25	**25**	**25**	**25**
Response Time - Max 8 Hours	25	**25**	**25**	**25**
Interview/References	25	**25**	**25**	**25**
Cost	25	**25**	**23**	**20**
GRAND TOTAL:		**100**	**98**	**95**

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Nika Reinecke, Director of Economic Development and Planning

DATE: December 1, 2015

SUBJECT: **Consideration of an Ordinance Amending the Lewisville City Code, Chapter 6, Article IX, Section 6-182, Hotel/Motel/Extended Stay Facilities, by Repealing and Replacing the Section in its Entirety by Adding Requirements for New or Modified Hotels, Motels and Exteded Stay Facilities.**

BACKGROUND

Basic hotel requirements were adopted in 2003 which include interior corridors, a minimum 400 square-foot room size and 24-hour on-site staff. Several hotels including the Hilton Garden Inn. Hampton Inn and Town Place Suites by Marriott were built after the ordinance was adopted.

Additional requirements were adopted in 2009 by requiring the selection of 4 out of 5 menu options. The 5 options included: 1) furnished rooms, 2) swimming pool (minimum 1,000 square feet; 2,500 square feet with 200+ rooms), 3) full service restaurant, 4) minimum 175 guest rooms, and 5) meeting space of 10,000 square feet. Springhill Suites was built after 2009 but meeting the 2003 requirements due to an Economic Development Agreement that was executed prior to 2009.

ANALYSIS

Recent discussions with hotel developers interested in Lewisville have revealed that new hotels currently being developed in the market cannot feasibly meet all current hotel requirements; particularly the minimum room size, the required full service restaurant and the minimum meeting space. City conducted two hotel studies in 2012 and 2014 in conjunction with the Lake Development Plans for feasibility of full service hotels. Extensive data was collected which indicated a move towards more limited or select service hotels. In addition research was provided that families traveling with children or persons traveling on business preferred some services in the room such as a refrigerator and microwave and preference was given to rooms with a cooktop. New hotels that provide a full refrigerator and cooktop include Candlewood Suites, Staybridge Suites, Holiday Inn Club Vacations, Homewood Suites by Hilton and Hyatt Residence Club among many others. In Lewisville, 8 out of the existing 22 hotels have cooktops and 10 have kitchenettes with a refrigerator and microwave.

Staff has conducted a survey of various cities in the area and the proposed amendments are in tune with the area cities. Grapevine is the only city that requires a minimum of 300 rooms and 10,000 square feet of meeting space and Irving requires 200 rooms and 5,000 square feet of meeting space (Survey attached).

At the City Council workshop session on 9-21-15, the following were recommended:

Mandatory requirements:

1. 325 square-foot minimum room size
2. Interior corridors
3. On-site staffing and housekeeping
4. Furnished Rooms
5. Minimum 100 guest rooms
6. Minimum 4 stories in height

Menu Options (required to choose 3 of 4):

1. Enhanced Architectural and Landscaping Standards
2. Restaurant or bar open during evening hours
3. Increase room count to minimum of 130
4. 1,500 square feet of meeting space.

Subsequent to the Council workshop, staff held a meeting with the existing hoteliers to present the proposal and receive feedback. Some hoteliers were against any change in the existing ordinance, others asked for more stringent requirements as new hotel rooms could flood the market. Their recommendations have been included in the new proposal to the extent possible. Recommendations included:

- Increase the number of rooms
- Increase the minimum height to 5 stories
- Increase list of amenities

<u>The new proposal is as follows:</u>

Mandatory requirements:

1. 325 square-foot minimum room size
2. Interior corridors
3. On-site staffing and housekeeping
4. Furnished Rooms
5. Minimum 110 guest rooms
6. Minimum 4 stories in height
7. Enhanced architectural standards

Miscellaneous (choose 2 of the following 5 options)

a. Fitness Facility (Minimum 400 square feet)
b. Indoor/outdoor pool area (Minimum 1,000 square feet)
c. Spa/Sauna (Minimum 800 square feet)
d. Gift Shop (Minimum 400 square feet)
e. Outdoor atrium/plaza with seating (Minimum 1,000 square feet)

Menu Options (required to choose 3 of 4):

5. Enhanced Landscaping Standards
6. Restaurant or bar open during evening hours
7. Increase room count to minimum of 130
8. 1,500 square feet of meeting space.

Provide for incentives if the all requirements are met.

Allow cooktop/oven in guestrooms by SUP.

The proposed amendments adjust the standards to be more in line with common amenities offered with new, high quality, select service hotels. The amended regulations are also expected to increase opportunities for the development of new hotel brands in Lewisville.

RECOMMENDATION

It is City Staff's recommendation that the City Council approve the proposed ordinance as set forth in the caption above.

City	**Lewisville**	**Carrollton – no changes**	**Coppell**
Ordinance	Sec. 6 -182, Development Standard	Art. XXI,(g).2. Special Use Permit	Sec. 12-30-18.1. Special Use Permit
Category	Hotel, motel, extended stay	Full Service Hotel	Hotel, motel and residence hotel
Rooms	• 175 guest rooms min. • 400 SF of livable floor space min.	• 125 guest rooms min. • 275 SF min.	N/A
Access	Access guestroom from interior corridor	Access from interior corridor and lobby	N/A
Restaurant or kitchen	Restaurant open to general public required	A full service restaurant on-site with wait staff required	Not required, but can count as required amenities: seating capacity of 35 min.
Conference room	Required: 10,000 SF min.	Required: 1,000 SF min.	Not required, but can count as required amenities: 1,000 SF min.
Pool	Swimming pool: 1,000 SF min. If over 200 guestrooms: 2,500 SF min.	Not required, but can count as required amenities	Not required but can count as required amenities
Other Amenities	None	Provide (2): sports court, exercise room, business center, or gift shop.	Provide (3): pool, spa, fitness center, playground, sports court, plaza/atrium, game room, jogging trail, conference room, or full service restaurant
Guest Service	(1) staff on site 24-7	• Staff available for check-in/out at all time • Daily housekeeping	On-site staff 24-hrs.
Other	None	• Building height: min. 4 stories. • Kitchen not allowed in guestrooms: microwave, under-counter refrigerator permissible • Architectural, landscaping requirements • Separate provisions for B&B, Residence Hotel or Hotel Suites • Lodging license required for operation	• Lot size: 4 ac. min. city council approval required for anything smaller but must be 2 ac or more • Lobby required: 150 SF min. • Separate provisions for residence hotel
Link		SUP - g. Hotel and Transient Lodging CH 97 - Lodging License	

City	**Irving**	**Southlake**	**Missouri City**
Ordinance	Sec. 52-35b. Hotel Development Standard	Section 28 "HC" Hotel District	Article IV. Hotels Sec.18-191
Category	Hotel, motel	Hotels and motels	Hotels
Rooms	• 200 guest rooms min. • 300 SF area min. • Fully furnished	N/A	N/A
Access	Access from interior hallway	N/A	N/A
Restaurant or kitchen	A full-service restaurant with full kitchen, cooking and service staff, open to public for breakfast and dinner (min.) daily	N/A	N/A
Conference room	Meeting or conference rooms with combined area of 5,000 SF min.	N/A	N/A
Pool	Not required but can count as required amenities: 1,000 SF min.	N/A	N/A
Other Amenities	(1) Recreational facilities not limited to: pool, sports court, exercise room, spa, game area etc.	N/A	N/A
Guest Service	• Staff available for check-in/out at all time • Daily housekeeping	N/A	Hotel staff on site 24 hrs each day
Other	• Waiting Area: 500 SF min. or 5 SF per guestroom • Lobby: 5 SF per guestroom • Lobby & Waiting areas can be combined, 1,500 SF max. • Architectural standards: material, building design etc.	• "HC" zoning also allows publicly owned parks, playgrounds and privately owned gold courses, and municipal uses. • Building Height: 6 stories max., 90 feet max.	• Security Camera, exterior light required • Cooking facilities not allowed in guestrooms: microwave, miniature refrigerator or freezer, or coffeemaker permissible
Link			

City	**Frisco**	**Frisco (continued)**	**Grapevine**
Ordinance	3.02.01 Conditional Development Standards	3.02.01 Conditional Development Standards	Appendix D Sec. 29 HCO Hotel and Corporate Office District
Category	Motel	Residence Hotel	Hotel/Motel Facilities
Rooms	None	• 23 room units per acre max. • Min. 50% of room units shall contain kitchen facilities	• Min. 380 SF area for guestroom • Min. 300 rooms
Access	N/A	N/A	N/A
Restaurant or kitchen	Full Service Restaurant (min. seating capacity of 35)	Not required, but can count as required amenities: seating capacity of 35 min.	Full service restaurant with full kitchen facilities providing services to the general public
Conference room	N/A	Not required, but can count as required amenities: 1,000 SF min.	Min. 10,000 SF
Pool	N/A	Not required but can count as required amenities	Min. 1,000 SF
Other Amenities	N/A	Provide (3): pool, spa/sauna, fitness center, playground, sports court, plaza/atrium, game room, jogging trail, conference room, or full service restaurant	N/A
Guest Service	On-site staff 24-hrs.	On-site staff 24-hrs.	On-site staff 24-hrs.
Other	Min. 1,500 feet separation from other Hotel, Motel, or Residence Hotel (measured property line to property line)	• Min. 100 ft from any residential district • Min. 15% of lot area as open space, exclusive of required setbacks and parking areas	Conditional Use Permit Required
	Zoning Ordinance	Zoning Ordinance	Sec.29 HCO Hotel and Corporate Office District

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS AMENDING THE LEWISVILLE CITY CODE, CHAPTER 6, ARTICLE IX, SECTION 6-182 HOTEL/MOTEL/EXTENDED STAY FACILITIES, BY DELETING THE ENTIRE SECTION AND REPLACING IT WITH A NEW SECTION 6-182, ADDING REQUIREMENTS FOR NEW OR MODIFIED HOTELS, MOTELS AND EXTENDED STAY FACILITIES; PROVIDING A REPEALER; PROVIDING FOR SEVERABILITY; PROVIDING FOR A PENALTY; PROVIDING AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Lewisville, Texas engaged a consultant in 2014 to provide an analysis of the demographic and economic characteristics of Lewisville and the region as it related to the hotel industry, and;

WHEREAS, this study was conducted in relation to attracting full service hotels to Lewisville, and;

WHEREAS, the analysis included a review of the trends in the hotel industry and analysis of competitive markets and venues, and;

WHEREAS, the City intends to lift its corporate and residential image by attracting new quality hotel and hospitality projects to complement the existing hotels in Lewisville, and;

WHEREAS, the diversification of the hotel market in Lewisville with additional new upscale products will enhance the City's hotel room inventory for events, tournaments, meetings and conferences, and;

WHEREAS, the City Council of the City of Lewisville, Texas, has determined that for the health, welfare, and safety of its citizens, certain amendments to Chapter 6, Article IX, Section 6-182 of the Lewisville City Code are necessary.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, THAT:

SECTION I. AMENDMENT. Chapter 6, Article IX, Section 6-182, Hotel/Motel/Extended Stay Facilities, of the Lewisville City Code, is hereby deleted in its entirety and replaced with the following new language:

Sec. 6-182. - Hotel/motel/extended stay facilities.

(a) *General provisions.* The purpose of this section is to establish minimum standards for all hotels, motels and extended-stay facilities constructed or modified, if such modification exceeds 50% of the appraised value (as set by Denton County Appraisal District) of the existing facility.

(b) *Mandatory Requirements.* The following items shall be included in the design and construction or modifications of all hotels, motels and extended-stay facilities:

(1) *Minimum Guest Room Size*. The minimum guest room or suite size shall be 325 square feet of floor space. A room size summary table shall be included on the engineering site plan for all hotel, motel and extended-stay facilities.

(2) *Guest Room Access*. All guest rooms or suites shall be accessible from a common interior corridor.

(3) *On-Site Staffing and Housekeeping*. At least one staff member shall be available on-site twenty-four (24) hours a day, seven days a week. Daily housekeeping service is required.

(4) *Furnished Rooms.* All guest rooms must be fully furnished. Minimum furnishings include bed, dresser drawer, night stand and television.

(5) *Number of Guest Rooms*. A minimum of 110 guest rooms is required.

(6) *Height*. All new construction shall be a minimum of 4 stories in height.

(7) *Enhanced Architectural Standards.* Enhanced design features, as listed below (A-C), shall be provided for all building façades. Elevations and color renderings depicting the material, design and color are required to be submitted with the engineering site plan submittal.

A. 80% brick or stone veneer or a combination of both is required on all facades fronting or siding a street. All other facades not fronting a street shall have a minimum of 50% brick or stone veneer exterior. Exterior Insulated Finishing System (EIFS) is not permitted below 9 feet from finished grade.

B. All elevations shall have the same architectural features and façade articulation including the following:

(1) Variation in building form such as recesses and projections

(2) Vertical accents or focal points

(3) Change in material and texture

(4) Emphasis on building entry through form, detail, color or materials

(5) Recessed windows minimum of 3 inches

(6) Projecting window sills

(7) Projecting cornices, roofs

C. Building form shall include a uniform level of quality on all sides of the building and incorporate similar features as the front facade.

(8) *Miscellaneous*. Two of the following items shall be included in the design and construction or modification of all hotels, motels and extended-stay facilities:

A. Fitness facility - Minimum 400 square feet.
B. Indoor/outdoor pool - Minimum 1,000 square feet.
C. Spa/Sauna - Minimum 800 square feet.
D. Gift shop - Minimum 400 square feet.
E. Outdoor atrium/plaza with seating space - Minimum 1,000 square feet.

(c) *Other Requirements*. In addition to the above listed mandatory requirements, at least three (3) of the following four (4) items shall be included in the design and construction or modification of all hotels, motels and extended-stay facilities:

(1) *Enhanced Landscaping Standards.* Landscaping shall be increased by 30% from the current city standards in overall landscaping areas, tree planting, shrubs and decorative landscaping features. Enhanced hardscaping and paving shall be used in pedestrian areas, connections from parking to the front door, and in guest front drop off areas. This may include brick/concrete pavers, pave stones, stamped and stained concrete or similar materials that will enhance the aesthetic character of the project.

(2) *Restaurant.* A restaurant or a bar which provides service to the general public and hotel guests, during the evening hours. Minimum hours of operation shall be from 6 PM to 11 PM. The bar and/or restaurant shall provide a minimum seating capacity of 50. The bar or restaurant shall not be a self-service operation.

(3) *Number of Guest Rooms.* Increase the number of guest rooms to 130 rooms.

(4) *Meeting Space*. A minimum of 1,500 square feet of designated meeting or conference room space shall be provided. The meeting space may be one large room or a combination of several meeting rooms. Guest room space or lobby space shall not count as meeting space.

(d) *Economic Development Incentives.* Subject to approval of an economic development agreement by the City Council, a project that meets all 4 requirements in section (c) above may be eligible for an economic development incentive for reduction of development fees.

(e) *Cooktop/Oven.* The construction or modification of a hotel, motel or extended-stay facility with a cooktop or oven in a guest room shall require the approval of a Special Use Permit in accordance with the provisions of the Zoning Ordinance.

SECTION II. REPEALER. Every ordinance or parts of ordinances found to be in conflict herewith are hereby repealed.

SECTION III. SEVERABILITY. If any section, sentence, clause, or phrase of this ordinance shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining sections, sentences, clauses, or phrases of this ordinance, but they shall remain in effect.

SECTION IV. PENALTY. Any person, firm or corporation who violates any provisions of this Ordinance shall be deemed guilty of a misdemeanor and, upon conviction thereof in the Municipal Court, shall be subject to a fine of not more than $2,000.00 for each

offense, and each and every day such offense is continued shall constitute a new and separate offense.

SECTION V. EFFECTIVE DATE. This ordinance shall become effective immediately upon its passage and publication as required by law.

SECTION VI. EMERGENCY. It being for the public welfare that this ordinance be passed creates an emergency and public necessity, and the rule requiring this ordinance be read on three separate occasions be, and the same is hereby waived, and this ordinance shall be in full force and effect from and after its passage and approval and publication, as the law in such cases provides.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, BY A VOTE OF _____ TO _____, ON THIS THE 7th DAY OF DECEMBER, 2015.

APPROVED:

_____
Rudy Durham, MAYOR

ATTEST:

_____
Julie Heinze, CITY SECRETARY

APPROVED AS TO FORM:

_____
Lizbeth Plaster, CITY ATTORNEY

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Brenda Martin, Director of Finance

DATE: November 20, 2015

SUBJECT: **Consideration of an Ordinance Authorizing the Issuance of $10,950,000 City of Lewisville, Texas, Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2015 (Lewisville Castle Hills Public Improvement District No. 5 Project) (the "Series 2015 Utility Bonds") in Accordance With the Terms of That Certain Master Trust Agreement and Second Supplemental Trust Agreement; Approving and Authorizing the Execution of the Second Supplemental Trust Agreement; Authorizing a Final Limited Offering Memorandum Pertaining to the Issuance of the Series 2015 Utility Bonds; Approving a Bond Placement Agreement; Providing an Effective Date and Containing Other Matters Related to the Series 2015 Utility Bonds.**

BACKGROUND

The City of Lewisville entered into a development agreement with Bright Farm Partnership, Denton County Freshwater Supply District 1-A (DCFWSD) and Denton County Fresh Water Supply District 1-B in 1996. This agreement laid out the methodology for annexation of the DCFWSDs that make up what is known as "Castle Hills" as well as various other operational issues. This agreement allows the DCFWSDs to contract with the City of Lewisville to create Public Improvement Districts (PIDs) to issue Combination Contract Revenue and Special Assessment Bonds secured by an annual ad valorem tax without legal limitation as to the rate or amount. As such, the city provides a financing conduit for infrastructure for the districts.

The bonds are not general obligations of the City and are not payable from any funds raised or to be raised by taxation or any other revenue sources of the City. The proceeds from the sale of the debt are limited to street and roadway improvements and water, sewer and drainage improvements. At this point, eight DCFWSDs have been formed (1-A through 1-H). Of these, seven PIDs have been formed and have total current outstanding debt of $102.57M. DCFWSD 1-A is the managing district and does not have a PID established for it.

PID No. 5 encompasses DCFWSD 1-G and is made up of approximately 307 acres with an estimated cost of improvements of $36M. This district is made up of commercial, office, multi-family and single-family development. The improvements of the districts include the acquisition, construction and improvement of water, wastewater and drainage facilities and the acquisition and construction of streets.

ANALYSIS

Bonds for the first phase of PID 5 were approved in May of 2014. The purpose of the proposed 2015 Utility bonds is to finance the second phase of public improvements within the District, which includes acquiring and constructing certain water, sewer, and drainage facilities and to pay certain costs incurred in connection with the issuance of the bonds.

As with previously issued bonds, these bonds include a prepaid assessment provision which is required by the Attorney General. The assessments are 1% of the total voted bond authority for District 1-G. The assessments are structured such that when a certificate of occupancy is issued, the builder or developer pre-pays the total amount of the assessment so that no assessments are outstanding when the homes are sold to end users. These assessments accumulate in a City's trustee account until which time the deposits are sufficient to redeem $25,000 in principal amount of bonds.

Given the tax base concentration as well as the relatively low current tax values in PID 5, it was determined that selling the associated bonds directly to an institutional investor would provide the most economical funding. Institutional investors are usually larger organizations who invest their assets routinely and specialize in making investments in various markets.

The term of the bonds is 20 years with an approximate interest rate of 6.00% and being sold with $25K denominations. Additionally, a letter restricting transfer must be maintained with the bonds until $260M of taxable assessed valuation is reached in the District. This letter ensures that upon a sale by the initial investor, the new buyers of the bonds are knowledgeable of the risks associated with these types of investments.

As is the case with the sale of the City's general obligation and revenue bonds, these bonds are sold on the same day as approved by City Council, therefore, documents for the agenda packet are in draft form with final documents prepared on the day of the sale.

RECOMMENDATION

It is City staff's recommendation that the City Council approve the ordinance as set forth in the caption above.

CERTIFICATE FOR ORDINANCE NO. ____-__-2015

THE STATE OF TEXAS §

COUNTIES OF DENTON AND DALLAS §

CITY OF LEWISVILLE §

I, the undersigned City Secretary of the City of Lewisville, Texas, hereby certify as follows:

1. The City Council of the City of Lewisville, Texas convened in a regular session on the 7th day of December, 2015 in the Council Chambers of the Lewisville City Hall, 151 West Church Street, Lewisville, Texas (the "Meeting"), and the roll was called of the duly constituted Council Members of the City of Lewisville, Texas to-wit:

Rudy Durham	Mayor
R. Neil Ferguson	Mayor Pro Tem
Greg Tierney	Deputy Mayor Pro Tem
Leroy Vaughn	Council Member
TJ Gilmore	Council Member
Brent Daniels	Council Member

And all of the persons were present except _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the Meeting:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF $10,950,000 CITY OF LEWISVILLE, TEXAS, COMBINATION CONTRACT REVENUE AND SPECIAL ASSESSMENT UTILITY SYSTEM BONDS, SERIES 2015 (LEWISVILLE CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT NO. 5 PROJECT) (THE "SERIES 2015 UTILITY BONDS") IN ACCORDANCE WITH THE TERMS OF THAT CERTAIN MASTER TRUST AGREEMENT AND SECOND SUPPLEMENTAL TRUST AGREEMENT; APPROVING AND AUTHORIZING THE EXECUTION OF THE SECOND SUPPLEMENTAL TRUST AGREEMENT; AUTHORIZING A FINAL LIMITED OFFERING MEMORANDUM PERTAINING TO THE ISSUANCE OF THE SERIES 2015 UTILITY BONDS; APPROVING A BOND PLACEMENT AGREEMENT; PROVIDING AN EFFECTIVE DATE AND CONTAINING OTHER MATTERS RELATED TO THE SERIES 2015 UTILITY BONDS.

was duly introduced for the consideration of the City Council. It was then duly moved and seconded that the Ordinance be passed; and, after due discussion, said motion carrying with it the passage of the Ordinance, prevailed and carried by the following vote:

Aye: ___ No:___

2. A true, full and correct copy of the Ordinance passed at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that the Ordinance has been duly recorded in the City Council's minutes of the Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from the City Council's minutes of the Meeting pertaining to the passage of the Ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting city officials as indicated therein; that each of the elected officials and members of the City Council was duly and sufficiently notified, officially and personally, in advance, of the time, place and purpose of the Meeting, and that the Ordinance would be introduced and considered for passage at the Meeting, and each of the elected officials and members consented, in advance, to the holding of the Meeting for such purpose, and that the Meeting was open to the public and public notice of the time, place and purpose of the meeting was given, all as required by Chapter 551, Government Code, as amended.

3. The City Council has approved the aforementioned attached Ordinance and the Mayor and the City Secretary of the City of Lewisville have duly signed the Ordinance; and that the City Secretary hereby declares that the attached Ordinance is a true and correct copy of the Ordinance for all purposes.

SIGNED AND SEALED this 7th day of December, 2015.

_____
Julie Heinze, City Secretary
City of Lewisville

[City Seal]

CITY OF LEWISVILLE, TEXAS

ORDINANCE NO. - -2015

Adopted the 7th day of December, 2015

AUTHORIZING THE ISSUANCE OF
$10,950,000
CITY OF LEWISVILLE, TEXAS
COMBINATION CONTRACT REVENUE AND SPECIAL ASSESSMENT
UTILITY SYSTEM BONDS
SERIES 2015
(LEWISVILLE CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT NO. 5 PROJECT)

Ordinance No. - -2015

AN ORDINANCE AUTHORIZING THE ISSUANCE OF $10,950,000 CITY OF LEWISVILLE, TEXAS, COMBINATION CONTRACT REVENUE AND SPECIAL ASSESSMENT UTILITY SYSTEM BONDS, SERIES 2015 (LEWISVILLE CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT NO. 5 PROJECT) (THE "SERIES 2015 UTILITY BONDS") IN ACCORDANCE WITH THE TERMS OF THAT CERTAIN MASTER TRUST AGREEMENT AND SECOND SUPPLEMENTAL TRUST AGREEMENT; APPROVING AND AUTHORIZING THE EXECUTION OF THE SECOND SUPPLEMENTAL TRUST AGREEMENT; AUTHORIZING A FINAL LIMITED OFFERING MEMORANDUM PERTAINING TO THE ISSUANCE OF THE SERIES 2015 UTILITY BONDS; APPROVING A BOND PLACEMENT AGREEMENT; PROVIDING AN EFFECTIVE DATE AND CONTAINING OTHER MATTERS RELATED TO THE SERIES 2015 UTILITY BONDS.

RECITALS

WHEREAS, all capitalized terms utilized in this Ordinance shall have the meanings defined in that certain Master Trust Agreement, dated as of May 1, 2014 (the "Master Trust Agreement"), and Second Supplemental Trust Agreement, dated as of December 1, 2015 (the "Second Supplemental Trust Agreement and, collectively with the Master Trust Agreement and First Supplemental Trust Agreement, the "Trust Agreement") by and among the City of Lewisville, Texas (the "Issuer" or "City") and Wilmington Trust, National Association, Dallas, Texas (the "Trustee"), and relating to the "Series 2015 Utility Bonds", together with all Exhibits thereto, a full and correct copy of which is attached hereto as Exhibit "A" and made a part hereof for all purposes (terms used herein and not otherwise defined shall have the meanings set forth in the Trust Agreement);

WHEREAS, at an election conducted on January 17, 1983, the voters within the boundaries of Denton County Fresh Water Supply District No. 1 ("District No. 1 ") approved the creation of District No. 1 and elected the Governing Body of District No. l;

WHEREAS, on August 8, 1987, the voters within the District No. 1 approved an election by which District No. 1 was authorized to assume the rights, authority, privileges and functions of a road district under Article III, Section 52(b)(3) of Texas Constitution, in the manner provided by Section 53.029(c) of Texas Water Code, as amended;

WHEREAS, at the same election on August 8, 1987, the voters within District No. 1 authorized District No. 1 to purchase, construct, acquire, own, operate, repair, improve and extend sanitary sewer systems to control wastes;

WHEREAS, on December 21, 1993, following a hearing conducted in accordance with Sections 51.040 through 51.044 of Texas Water Code, as amended, the Governing Body of District No. 1 entered an Order Setting Out Findings On Conversion And Ordering Conversion To A Water

Control And Improvement District by which District No. 1 converted into a district operating under Chapter 51 of Texas Water Code, as amended, and exercising all the powers, authority, functions and privileges provided in Chapter 51 and District No. 1 specifically reserved in the manner specified in Section 51.044 of Texas Water Code, as amended, the powers specified in Sections 53.029, 53.030 through 53.035, 53.037 through 53.041, 53.111, 53.112, 53.121 and 53.125 of Texas Water Code, as amended from time to time;

WHEREAS, District No. 1 entered into a contract with the Upper Trinity Regional Water District, by which District No. 1 will receive a supply of potable fresh water for all areas located within the boundaries of District No. 1;

WHEREAS, pursuant to the specific authority retained by District No. 1 under Sections 53.029 through 53.035 and Sections 53.037 through 53.041, Texas Water Code, as amended, and granted to District No. 1 by Chapter 51 of Texas Water Code, as amended, the voters within District No. 1 approved, on May 6, 1995, an election by which the District was divided into Denton County Fresh Water Supply District No. 1-A ("District No. 1-A"), consisting of 2,339 acres, more or less and Denton County Fresh Water Supply District No. 1-B ("District No. l-B"), consisting of 291 acres, more or less;

WHEREAS, pursuant to the specific authority set forth under Sections 53.029 through 53.035 and Sections 53.037 through 53.041 of Texas Water Code, as amended, the voters within District No. 1-A approved on August 9, 1997 an election by which District No. 1-A divided itself into District No. 1-A and Denton County Fresh Water Supply District No. 1-C ("District No. 1-C")

WHEREAS, the voters within District No. 1-A hereafter approved the division of District No. 1-A into District No. 1-A and Denton County Fresh Water Supply District No. 1-C ("District No. 1-C"), Denton County Fresh Water Supply District No. 1-E ("District No. 1-E"), Denton County Fresh Water Supply District No. 1-F ("District No. l-F"), and Denton County Fresh Water Supply District No. 1-G ("District No. 1-G" or the "District") and Denton County Fresh Water Supply District No. 1-H ("District No. 1-H") and District No. 1-C divided itself into District No. 1-C and Denton County Fresh Water Supply District No. 1-D ("District No. 1-D");

WHEREAS, on the 21st day of March, 2013, a petition signed by the requisite owners of taxable real property representing more than fifty percent (50%) of the appraised value of taxable real property liable for assessment and owners of real property who constitute more than fifty percent (50%) of all record owners of property that is liable for assessment within the proposed Lewisville Castle Hills Public Improvement District No. 5 ("P.I.D. No. 5") was submitted to and filed with the Governing Body of the Issuer requesting that a public improvement district be created within the extraterritorial jurisdiction of the Issuer pursuant to the provisions of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "Act");

WHEREAS, the aforementioned petition was submitted in compliance with the provisions of Section 372.005 of the Act;

WHEREAS, notice of a public hearing to consider the advisability of the improvements was published in a newspaper of general circulation on the 12th day of April, 2013, disclosing

the Governing Body of the Issuer's intention to consider the creation of a public improvement district;

WHEREAS, written notice of the scheduled public hearing was delivered on the 12th day of April, 2013, to each property owner located within the proposed public improvement district;

WHEREAS, on the 6th day of May, 2013, the Governing Body of the Issuer held a public hearing conforming to the requirements of Section 372.009 of the Act on the advisability of the improvements;

WHEREAS, pursuant to Section 372.009(b) of the Act, the Governing Body of the Issuer, on the 6th day of May, 2013, passed and approved Resolution No. 3991-05-2013 (R), making certain findings as to the advisability of the improvements, the nature of the improvements, the boundaries of the proposed public improvement district, the method of assessment, and the apportionment of the costs between the proposed public improvement district and the Issuer as a whole and authorizing creation of P.I.D. No. 5 thereby establishing the exact boundaries of P.I.D. No. 5;

WHEREAS, P.I.D. No. 5 is located within the extraterritorial jurisdiction of the Issuer;

WHEREAS, such authorization took effect on the 17th day of May, 2013, the date on which notice of the creation of P.I.D. No. 5 was published in the Lewisville Neighbors Go section of the Dallas Morning News, a newspaper of general circulation in the extraterritorial jurisdiction of the Issuer;

WHEREAS, an Assessment/Service Plan (as defined herein) was prepared and reviewed by the staff of the Issuer and submitted on March 3, 2014 to the Governing Body of the Issuer for review and, on March 3, 2014, the Governing Body authorized publication of a notice of public hearing on the Assessment/Service Plan;

WHEREAS, a notice was published on the 6th day of March, 2014, in the Lewisville Neighbors Go section of the Dallas Morning News, a newspaper of general circulation within the city limits and extraterritorial jurisdiction of the Issuer, evidencing the intention of the Governing Body of the Issuer to consider the Special Assessments (as defined herein) at a public hearing;

WHEREAS, written notice of the scheduled public hearings have been delivered as required by law, to each property owner residing within P.I.D. No. 5;

WHEREAS, the Assessment/Service Plan provided that one hundred percent (100%) of the cost of the improvements authorized by Section 372.003 of the Act (the "Authorized Utility Improvements") will be paid by Special Assessments levied against property located within P.I.D. No. 5 or will be paid by taxes collected by the District and paid to the Issuer in accordance with the provisions of the Joint Utility Contract (as defined herein) entered into between the Issuer, District No. 1-A and the District, a copy of which is attached hereto as Exhibit "B" and made a part hereof for all purposes;

WHEREAS, the Assessment/Service Plan recommended that the Governing Body of the

Issuer apportion the cost of the Authorized Utility Improvements on the basis of the value of the property in P.I.D. No. 5 as determined by the Governing Body, without regard to improvements on the property, as set out in the Assessment/Service Plan, with such an apportionment resulting in the imposition of equal shares of the cost on property similarly benefited within P.I.D. No. 5;

WHEREAS, based upon the aforementioned method of apportionment, the Governing Body of the Issuer has prepared and filed an Assessment Roll (as defined herein) establishing the Special Assessment against each parcel of property within P.I.D. No. 5, all as provided in Section 372.016 of the Act;

WHEREAS, on the 19th day of May, 2014 the Governing Body of the Issuer conducted public hearings to hear and pass on any objections to the Special Assessments, Assessment/Service Plan and Assessment Roll;

WHEREAS, the Governing Body of the Issuer has adopted the Assessment Ordinance (as defined herein) approving the Assessment/Service Plan for P.I.D. No. 5 and levied assessments as Special Assessments on each parcel of property within P.I.D. No. 5 pursuant to the Assessment/Service Plan and Assessment Roll;

WHEREAS, pursuant to the Assessment Ordinance, the Issuer permitted the Special Assessments to be paid in installments, fixed the rate of interest on installment payments, established the penalties and interest on delinquent installments, and established the procedure for collection of the Special Assessments. The Assessment Ordinance provides the mechanism and procedure that will be utilized to collect and enforce the Special Assessments in periodic installments;

WHEREAS, the Act provides that an assessment or any reassessment, the expense of collection, and reasonable attorney's fees, if incurred, are a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for ad valorem taxes by other governmental entities, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Ordinance levying the Special Assessments until the Special Assessments are paid, and may be enforced in the same manner that an ad valorem tax levied against real property is enforced. The owner of any property assessed may pay the entire Special Assessment against any lot or parcel with accrued interest to the date of payment at any time;

WHEREAS, Section 372.026 of the Act authorizes the Issuer to pledge Special Assessments and all or part of revenue or income received from any public or private source, pursuant to an agreement or otherwise, to the payment of revenue bonds;

WHEREAS, in the adoption of the Bond Ordinance (as defined herein), the Issuer is exercising the authority granted by Section 372.026 of the Act by issuing revenue bonds payable from Special Assessments and from the Contract Revenues derived from the Joint Utility Contract;

WHEREAS, on November 4, 2008, the District conducted elections which authorized the issuance of bonds and refunding bonds and approved the Joint Utility Contract (as defined herein) and the imposition of an annual tax on all taxable property within the boundaries of the District, unlimited in rate or amount, sufficient to make payment under the Joint Utility Contract;

WHEREAS, on May 19, 2014, the Governing Body of the Issuer adopted Ordinance No. 4086-06-2014 approving the Joint Utility Contract;

WHEREAS, the District and the Issuer are authorized by Chapters 49 and 51 of Texas Water Code, as amended, to enter into contracts for the provision of the facilities, improvements and services which the District has lawful authority to provide and to cover the expenses necessary to administer, maintain and operate the improvements and facilities;

WHEREAS, under Section 51.149 of Texas Water Code, said contract needs no approval other than approval by a majority of the electors voting at an election conducted in the manner of a bond election in order for the contract between the District and the Issuer to be valid, binding, and enforceable against all parties to the contract;

WHEREAS, under Section 49.108 of Texas Water Code and subject to any Constitutional limitations, said contract may be modified or amended by the District without voter approval;

WHEREAS, the terms and conditions of the Series 2015 Utility Bonds and the pledge of the Contract Revenues (as defined herein) derived from the Joint Utility Contract which are authorized to be collected on an annual basis while any of the Series 2015 Utility Bonds remain Outstanding and revenues derived from Special Assessments will be controlled by the provisions of this Ordinance and Sections 372.025 and 372.026 of the Act;

WHEREAS, Section 372.026 of the Act authorizes the Issuer to issue revenue bonds payable from Special Assessments and from all or part of revenue or income received from any public or private source, pursuant to an agreement or otherwise;

WHEREAS, in the adoption of the Ordinance, the Issuer is exercising the authority granted by Section 372.026 of the Act in issuing revenue bonds payable from Special Assessments and from the Contract Revenues derived from the Joint Utility Contract;

WHEREAS, on November 4, 2008, District No. 1-G conducted elections which authorized the issuance of $25,600,000 of utility bonds and refunding bonds and approved the Joint Utility Contract and the imposition of an annual tax on all taxable property within the boundaries of District No. 1-G, unlimited in rate or amount, sufficient to make payment under such Joint Utility Contract;

WHEREAS, on November 4, 2008, District No. 1-G conducted elections which authorized the issuance of $10,400,000 of road bonds and refunding bonds and approved the Joint Road Contract and the imposition of an annual tax on all taxable property within the boundaries of District No. 1-G, unlimited in rate or amount, sufficient to make payment under such Joint Road Contract;

WHEREAS, the Districts and the Issuer are authorized by Chapters 49 and 51 of the Texas Water Code, as amended to enter into contracts for the provision of the joint construction, finance, ownership and operation of any works, improvements, facilities, plants, equipment and appliances necessary to accomplish any function which the Districts have lawful authority to provide and to cover the expenses necessary to administer, maintain and operate the improvements and facilities;

WHEREAS, the Issuer has determined to pay the cost of the Authorized Utility Improvements by the issuance of revenue bonds designated as the "City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2015 (Lewisville Castle Hills Public Improvement District No. 5)" (the "Series 2015 Utility Bonds"), in the original principal amount not to exceed Ten Million Nine Hundred and Fifty Thousand and No/100 Dollars ($10,950,000);

WHEREAS, the Issuer has previously issued "City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2014 (Lewisville Castle Hills Public Improvement District No. 5)" in the principal amount of $3,255,000 (the "Series 2014 Utility Bonds") pursuant to the terms of the Master Trust Agreement and a First Supplemental Trust Agreement, dated as of May 1, 2014, by and between the Issuer and the Trustee (the "First Supplemental Trust Agreement");

WHEREAS, following the sale and delivery of the Series 2015 Utility Bonds the Issuer shall have the right to issue $11,395,000 of additional utility bonds pursuant to the voted authority of the election held on November 4, 2008 approving the Joint Utility Contract, not including refunding bonds;

WHEREAS, the terms and conditions of the Series 2015 Utility Bonds and the pledge of the Contract Revenues derived from the Joint Utility Contract and revenues derived from Special Assessments which are authorized to be collected on an annual basis while any of the Series 2015 Utility Bonds remain Outstanding will be controlled by the provisions of this Ordinance, the Joint Utility Contract and Sections 372.025 and 372.026 of the Act, Chapter 1371, Texas Government Code, the Trust Agreement and any other applicable law;

WHEREAS, the Trust Agreement relating to the Series 2015 Utility Bonds has been submitted to the Issuer for its approval along with a Bond Placement Agreement;

WHEREAS, the governing body of the Issuer has determined that the Series 2015 Utility Bonds should be issued in accordance with this Ordinance and the Trust Agreement.

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

Section 1. The City Council of the City of Lewisville, Texas hereby authorizes the issuance of $10,950,000 City of Lewisville, Texas, Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2015 (Lewisville Castle Hills Public Improvement District No. 5 Project), upon the terms and conditions set forth in the Trust Agreement and this Ordinance, and at an initial interest rate from the date of delivery to the initial purchasers of the Series 2015 Utility Bonds, of 6.00% per annum.

Section 2. The Trust Agreement, together with all Exhibits thereto; is hereby approved in all particulars, in substantially the form attached hereto as Exhibit "A", subject to such changes as may be approved by the City Manager and the City Attorney or such changes as may be approved by Bond Counsel to satisfy the requirements of the Attorney General of the State of Texas. This Ordinance hereby specifies that the Series 2015 Utility Bonds shall be issued under

the terms and conditions set forth in the Trust Agreement. The Mayor, Mayor Pro Tem or Deputy Mayor Pro Tem of the Issuer is hereby authorized and directed to execute the Trust Agreement and the City Secretary is hereby authorized and directed to attest such signature.

Section 3. The form and substance of the Preliminary Limited Offering Memorandum for the Series 2015 Utility Bonds and any addenda, supplement or amendment thereto (the "Preliminary Limited Offering Memorandum") and the Limited Offering Memorandum (the "Limited Offering Memorandum") presented to and considered at this meeting, are hereby in all respects approved and adopted, and the Preliminary Limited Offering Memorandum is hereby deemed final as of its date (except for the omission of pricing and related information) within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Mayor and the City Secretary are hereby authorized and directed to execute the Limited Offering Memorandum and deliver appropriate numbers of copies thereof to the Purchaser of the Series 2015 Utility Bonds. The Limited Offering Memorandum as thus approved, executed and delivered, with such appropriate variations as shall be approved by the Mayor of the Issuer and the Purchaser of the Series 2015 Utility Bonds, may be used by the Issuer in the offering of the Series 2015 Utility Bonds and sale thereof. The City Secretary of the Issuer is hereby authorized and directed to include and maintain a copy of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Limited Offering Memorandum in the offering of the Series 2015 Utility Bonds is hereby ratified, approved and confirmed.

Section 4. The City Council of Lewisville, Texas hereby authorizes the expenditures identified in the description of the Authorized Utility Improvements, which is attached as Exhibit "B" to the Second Supplemental Trust Agreement, and further authorizes all parties named in this Ordinance and the Trust Agreement to take all action necessary or appropriate to the issuance and sale of the Series 2015 Utility Bonds in conformity with the provisions of this Ordinance, the Trust Agreement and the other agreements identified in the Trust Agreement, subject to such changes as may be approved by Winstead PC, Bond Counsel; First Southwest Company, the City's Financial Advisor; Bracewell & Giuliani LLP, as special counsel to the City; the City's City Attorney and the City's Finance Director.

Section 5. The Bond Placement Agreement is hereby approved in all particulars, in substantially the form attached hereto as Exhibit "B" subject to such changes as may be approved by the City Manager, Bond Counsel and the City Attorney.

Section 6. The recitation of facts in the preamble to this Ordinance are found to be true and correct and are incorporated herein by reference.

Section 7. The City Council of Lewisville, Texas will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the implementation of this Ordinance, the Trust Agreement and the Bond Placement Agreement.

Section 8. Form of Bond. The Series 2015 Utility Bonds shall be issued in generally the form set forth in the Second Supplemental Trust Agreement, with such appropriate insertions, omissions, substitutions and other variations as are permitted or required by this Ordinance and the Trust Agreement.

Section 9. The Mayor of the Issuer is hereby authorized to have control of the Series 2015 Utility Bond and all necessary records and proceedings pertaining thereto pending investigation, examination and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

After registration by the Comptroller of Public Accounts, delivery of the Series 2015 Utility Bonds shall be made to the Purchaser under and subject to the general supervision and direction of the Mayor of the Issuer, against receipt by the Issuer of all amounts due to the Issuer under the terms of sale.

In the event the Mayor of the Issuer or City Secretary is absent, the Mayor Pro-Tem or Deputy Mayor Pro Tem and the Assistant City Secretary, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro-Tem or Deputy Mayor Pro Tem and the Assistant City Secretary shall for the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor of the Issuer or City Secretary, respectively.

Section 10. The requirement that this Ordinance be read on three (3) separate days does not apply to a public security authorization.

Section 11. This Ordinance shall be effective immediately upon its final passage in accordance with Section 1201.028, Texas Government Code.

Section 12. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the Issuer, and their employees, the Trustee, Bond Counsel, and the Owners any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the Issuer and its employees, the Trustee, Bond Counsel, and the Owners.

Section 13. If any Section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 14. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the regular meeting of the governing body of the City Council of Lewisville, Texas at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof has been discussed, considered and formally acted upon. The City Council of Lewisville, Texas further ratifies, approves and confirms such written notice and the contents and posting thereof.

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PASSED AND APPROVED this ____ day of _____, 2015.

_____
Mayor, City of Lewisville

ATTEST:

_____
City Secretary, City of Lewisville

APPROVED AS TO FORM & LEGALITY:

_____
City Attorney, City of Lewisville

EXHIBIT A
SECOND SUPPLEMENTAL TRUST AGREEMENT

EXHIBIT B
BOND PLACEMENT AGREEMENT

SECOND SUPPLEMENTAL TRUST AGREEMENT

between

THE CITY OF LEWISVILLE, TEXAS (the "ISSUER")

and

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee (the "TRUSTEE")

Dated as of December 1, 2015

Relating to

$10,950,000

CITY OF LEWISVILLE, TEXAS
COMBINATION CONTRACT REVENUE AND SPECIAL ASSESSMENT
UTILITY SYSTEM BONDS,
SERIES 2015

(LEWISVILLE CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT NO. 5 PROJECT)

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SECOND SUPPLEMENTAL TRUST AGREEMENT

THIS SECOND SUPPLEMENTAL TRUST AGREEMENT (this "Second Supplemental Trust Agreement"), dated as of December 1, 2015, is between THE CITY OF LEWISVILLE, TEXAS, a home rule city organized and operating pursuant to Article XI, Section 5 of the Constitution of the State of Texas (the "Issuer") and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association authorized to do business in the State of Texas, as trustee (the "Trustee"), and supplements and amends the Master Trust Agreement for the "City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility System Bonds, (Lewisville Castle Hills Public Improvement District No. 5 Project)" dated as of May 1, 2014 (the "Master Trust Agreement"), between the Issuer and the Trustee, and the First Supplemental Trust Agreement for the $3,255,000 "City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility Bonds, Series 2014 (Lewisville Castle Hills Public Improvement District No. 5 Project)", dated as of May 1, 2014, between the Issuer and the Trustee (the "First Supplemental Trust Agreement" and, together with the Master Trust Agreement and this Second Supplemental Trust Agreement, the "Trust Agreement").

W I T N E S S E T H:

WHEREAS, the City of Lewisville, Texas, Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2015 (Lewisville Castle Hills Public Improvement District No. 5 Project) (the "Series 2015 Utility Bonds") are "Bonds", as defined in Section 1 of that certain Master Trust Agreement, and the Issuer certifies that issuance of the Series 2015 Utility Bonds is authorized and permitted under Section 2.1 of the Master Trust Agreement;

WHEREAS, this Second Supplemental Trust Agreement amends and supplements the Master Trust Agreement pursuant to Section 2.1 of the Master Trust Agreement;

WHEREAS, on the 7th day of December, 2015, the City Council of the Issuer duly adopted that certain Ordinance No. ____-__-2015 (the "Bond Ordinance") authorizing the issuance of the City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2015 (Lewisville Castle Hills Public Improvement District No. 5 Project) (the "Series 2015 Utility Bonds") and approving the form, substance, and use of a Preliminary Limited Offering Memorandum;

WHEREAS, the Issuer desires to issue Series 2015 Utility Bonds sufficient to make the Series 2015 Authorized Utility Expenditures set forth in Exhibit "C" of this Second Supplemental Trust Agreement and pay the costs of issuing the Series 2015 Utility Bonds;

WHEREAS, the Issuer has duly filed a certified copy of the Bond Ordinance with the Trustee;

WHEREAS, the Trustee has accepted the trusts created by the Master Trust Agreement and First Supplemental Trust Agreement and accepts the trusts described in this Second

Supplemental Trust Agreement, and evidences such acceptance by joining in the execution hereof; and

WHEREAS, all capitalized terms, unless otherwise defined herein, have the meanings ascribed to them in the Master Trust Agreement;

NOW, THEREFORE, the Issuer, in consideration (i) of the premises and the acceptance by the Trustee of the trusts created in the Master Trust Agreement, the First Supplemental Trust Agreement and this Second Supplemental Trust Agreement, (ii) of the purchase and acceptance of the Series 2015 Utility Bonds by the purchasers thereof, and (iii) for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby confirm and agree that the grant in the Master Trust Agreement to the Trustee for the benefit of the Owners of the Bonds of the Trust Estate (as defined in the Master Trust Agreement) shall constitute a lien on and security interest in such Trust Estate for the benefit of the Owners of the Series 2015 Utility Bonds on an equal and ratable basis with the Owners of the Outstanding Bonds under the Master Trust Agreement and any supplement or amendment thereto and of any Additional Bonds issued under the Master Trust Agreement and any subsequent supplements thereto, and in addition to the foregoing, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01 Definitions. For all purposes of this Second Supplemental Trust Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(1) This "Second Supplemental Trust Agreement" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more trust agreements supplemental hereto entered into pursuant to the applicable provisions of the Master Trust Agreement.

(2) All references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Second Supplemental Trust Agreement as a whole and not to any particular Article, Section or other subdivision.

(3) All terms used in this Second Supplemental Trust Agreement which are defined in the Master Trust Agreement have the same meanings assigned to such terms in the Master Trust Agreement unless otherwise specified herein. Except where the context otherwise requires, words imparting the singular number shall include the plural number and vice versa. Reference to any document means that document as amended or supplemented from time to time. Reference to any party to a document means that party and its successors and assigns.

(b) The following terms have the meanings assigned to them below whenever they are used in or with respect to this Second Supplemental Trust Agreement:

Additional Bonds – means the Additional Bonds payable from Special Assessment Revenues and payable from Contract Payments in accordance with the 2008 Joint Utility Contract. After issuance of the Series 2015 Utility Bonds, up to $11,395,000 in Additional Bonds will remain authorized but unissued pursuant to the 2008 Joint Utility Contract.

Administrative Expenses – means the administrative, organization, maintenance and operation costs payable from the proceeds of the Series 2015 Utility Bonds associated with, or incident to, the administration, organization, maintenance and operation of the P.I.D., including, but not limited to, the costs of (a) administering the P.I.D., including conducting hearings, preparing notices and petitions, preparing assessment rolls and all costs incident thereto, including engineering fees, legal fees and consultant fees, (b) levying and collecting Special Assessments or the installments thereof, (c) negotiating and implementing the Joint Utility Contract and the other agreements, (d) maintaining the record of installments of the Special Assessments and the system of registration and transfer of the Series 2015 Utility Bonds, (e) paying and redeeming the Series 2015 Utility Bonds, (f) investing or depositing of monies, (g) complying with the Code with respect to the Series 2015 Utility Bonds, and (h) the Trustee and Series 2015 Utility Bonds Bondholder Representative fees and expenses, including attorneys' fees relating to the Series 2015 Utility Bonds.

Authorized Investments or Permitted Investments – means any investment authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code.

Bond Ordinance – means the City of Lewisville Ordinance adopted by the City Council of the City of Lewisville on the 7th day of December, 2015, authorizing the issuance of the Series 2015 Utility Bonds.

Date of Closing – means the date of physical delivery of the Initial Bond for payment in full by the initial purchasers thereof.

Debt Service Requirements – means, as of any particular date of computation, with respect to any Series 2015 Utility Bonds and with respect to any period, the aggregate of the amounts to be paid or set aside from the Interest and Sinking Fund by the Trustee on behalf of the Issuer as of such date or in such period for the payment of the Principal Installment, redemption premium, if any, and interest (to the extent not capitalized) on such Series 2015 Utility Bonds.

Debt Service Reserve Amount – means the lesser of (i) 10% of the principal amount of the Outstanding Assessment Bonds, (ii) the maximum annual debt service requirement of the Outstanding Assessment Bonds, or (iii) 125% of the average annual debt service of the Outstanding Assessment Bonds.

Initial Bond – means the Series 2015 Utility Bond authorized, issued and initially delivered as provided in Section 2.03 of this Second Supplemental Trust Agreement, the form of which is set forth in Exhibit “B”, which is attached hereto and made a part hereof for all purposes.

Mandatory Sinking Fund Payments or Mandatory Sinking Fund Redemptions – means the mandatory sinking fund payments on the dates, and in the amounts, set forth in Section 3.01(c) herein.

Outstanding – means, as of the date of determination, and with respect to any Outstanding Assessment Bonds, including the Series 2015 Utility Bonds, all such Outstanding Assessment Bonds theretofore issued and delivered under the Master Trust Agreement and any supplemental trust agreement, including the First Supplemental Trust Agreement and this Second Supplemental Trust Agreement, except:

(1) Outstanding Assessment Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(2) Outstanding Assessment Bonds for whose purchase, payment or redemption, money in the necessary amount has been theretofore deposited in an account, other than the "Collection Fund" identified in Section 4.1 of the Master Trust Agreement, with the Trustee in trust for the holders of the Outstanding Assessment Bonds;

(3) Outstanding Assessment Bonds in exchange for or in lieu of which other Outstanding Assessment Bonds have been registered and delivered pursuant to this Trust Agreement; and

(4) Outstanding Assessment Bonds alleged to have been mutilated, destroyed; lost or stolen which have been paid as provided in this Trust Agreement.

Outstanding Assessment Bonds – means any Outstanding Bonds of the Issuer containing a pledge of Special Assessments levied pursuant to the Assessment Ordinance, including the Series 2015 Utility Bonds and any Additional Bonds.

P.I.D. – means Lewisville Castle Hills Public Improvement District No. 5.

Series 2015 Authorized Utility Expenditures – means the authorized expenditures related to the Series 2015 Utility Bonds as described in Exhibit C to this Second Supplemental Trust Agreement payable from Contract Revenues and Special Assessments.

Series 2015 Utility Bonds Bondholder Representative – means the Bondholder Representative for the Owners of not less than a majority in principal amount of the Series 2015 Utility Bonds then Outstanding, initially ORIX Public Finance, LLC, or other designated representative of the majority of the Owners.

Special Assessments – means the assessments levied against properties in the P.I.D. to pay Debt Service Requirements on the Outstanding Assessment Bonds as set forth in the Assessment/Service Plan which are payable in periodic installments as provided in the Assessment Ordinance; all as provided in the Assessment/Service Plan, the Assessment Ordinance and the Bond Ordinance. Special Assessments also include any supplemental assessments or reassessments levied in accordance with Sections 372.019 and 372.020 of the Act.

Section 1.02 Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.Trust Agreement to Remain in Force. Except as amended by this Second Supplemental Trust Agreement or any subsequent supplemental trust agreements, the Master Trust Agreement shall remain in full force and effect as to the matters covered therein.Authority. This Second Supplemental Trust Agreement is executed and delivered pursuant to the Act and the Master Trust Agreement.Notices, etc., to Parties. Any request, demand, authorization, direction, notice, consent, waiver or Act of Owners of Series 2015 Utility Bonds or other document provided or permitted by the Master Trust Agreement to be made upon, given or furnished to, or filed with any party hereto shall be given in the manner prescribed in the Master Trust Agreement.Successors and Assigns. All covenants and agreements in this Second Supplemental Trust Agreement by the Issuer and the Trustee shall bind their respective successors and assigns, whether so expressed or not.Separability Clause. In case any provision in this Second Supplemental Trust Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.Benefits of Second Supplemental Trust Agreement. Nothing in this Second Supplemental Trust Agreement or in the Series 2015 Utility Bonds, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder and the Owners of the Series 2015 Utility Bonds, any benefit or any legal or equitable right, remedy or claim under this Second Supplemental Trust Agreement.Governing Law. This Second Supplemental Trust Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

AUTHORIZATION AND TERMS OF SERIES 2015 UTILITY BONDS

Section 2.01 Authorization of Series 2015 Utility Bonds. The Series 2015 Utility Bonds shall be issued in fully registered form in the total authorized aggregate amount of TEN MILLION NINE HUNDRED AND FIFTY THOUSAND AND NO/100 Dollars ($10,950,000.00) for the purpose of paying costs of issuance of the Series 2015 Utility Bonds in accordance with the Act and making the Series 2015 Authorized Utility Expenditures.

Section 2.02 Designation, Date, and Interest Payment Dates. The Series 2015 Utility Bonds shall be designated as $10,950,000 "City of Lewisville, Texas, Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2015 (Lewisville Castle Hills Public Improvement District No. 5 Project)" and shall be dated as of December 1, 2015. The Series 2015 Utility Bonds shall bear interest from the Date of Closing, or the most recent Interest Payment Date to which interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, payable on March 1, 2016, and semiannually thereafter on September 1 and March 1 of each year until maturity or prior redemption.Form of Bonds; Initial Bond; Numbers and Denomination. The Series 2015 Utility Bonds shall be issued in the form set forth in Exhibit "A" which is attached hereto; provided, however, that the Initial Bond delivered to the Attorney General of the State of Texas shall be numbered TI-1 and shall be in the form set forth as Exhibit "B". The Series 2015 Utility Bonds shall be subject to prior redemption as provided in Article III below. Series 2015 Utility Bonds delivered on transfer of or in exchange for other Series 2015 Utility Bonds shall be numbered (with appropriate prefix) in order of their authentication by the Trustee, and shall be in the denomination of Twenty-Five Thousand Dollars ($25,000.00) or integral multiples thereof. The Series 2015 Utility Bonds shall mature on the same date and bear interest at the same rate as the Series 2015 Utility Bonds in lieu of which they are delivered.

Section 2.04 Interest Rate. The Series 2015 Utility Bonds shall bear interest from the Date of Closing at the rate of 6.00%. Application of Proceeds. Simultaneously with the delivery of the Series 2015 Utility Bonds, the Trustee shall apply the proceeds derived from the sale to pay for Authorized Utility Expenditures and costs of issuance of the Series 2015 Utility Bonds, pursuant to a requisition requesting disbursement in the form described in Exhibit C to the Master Trust Agreement.

REDEMPTION OF BONDS

Section 3.01 Amendment. The terms of Article VI of the Master Trust Agreement are in full force and effect except with respect to the provisions below which shall amend such provisions of the Master Trust Agreement with respect to the Series 2015 Utility Bonds, and such provisions as set forth below shall be applicable to the Series 2015 Utility Bonds. In the event of a conflict between the provisions of the Master Trust Agreement and this Second Supplemental Trust Agreement, the provisions of the Second Supplemental Trust Agreement shall control with respect to the Series 2015 Utility Bonds. The provisions of Section 6.1 of the Master Trust Agreement are hereby amended by adding a third paragraph as follows: The provisions of Section 6.1 of the Master Trust Agreement are hereby amended by adding a second paragraph as follows:

> "From, and after September 1, 2019, the Series 2015 Utility Bonds may be redeemed by the Issuer, in whole or in part prior to maturity, on any business day at the option of the Issuer, after notice as provided herein at a redemption price equal to the percentage of their principal amount set forth below plus accrued interest to the date fixed for redemption:

Redemption Date	Redemption Price
From September 1, 2019 to August 31, 2020	103%

From September 1, 2020 to August 30, 2021 102%

From September 1, 2021 and thereafter 100%

(b) The provisions of Section 6.2 of the Master Trust Agreement are hereby amended by adding the following paragraphs:

["Series 2015 Utility Bonds in an amount not to exceed $_____ shall be redeemed, in whole or in part, prior to maturity at a redemption price equal to [100%] of the principal amount of the Series 2015 Utility Bonds, together with interest accrued to the date of redemption or purchased, in whole or in part at a purchase price equal to [100%] of the principal amount of the Series 2015 Utility Bonds from amounts transferred to the Series 2015 Utility Bonds Redemption Account established pursuant to Section 4.01(a) and 4.01(f) of the Second Supplemental Trust Agreement from the City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility System Bonds (Lewisville Castle Hills Public Improvement District No. 5 Project) Collection Fund and the Prepayment Fund pursuant to Sections 4.1 and 4.3, respectively, on March 1, 2016.

In lieu of redeeming Series 2015 Utility Bonds with the funds described in this Section, the Issuer may purchase the Series 2015 Utility Bonds in the open market of the maturity to be redeemed at the price not in excess of that provided in Section 3.01(a) of the Second Supplemental Trust Agreement."]

(c) The provisions of Section 6.3 of the Master Trust Agreement are hereby amended by adding the following paragraphs:

["Prior to their Maturity Date, the Series 2015 Utility Bonds shall be redeemed as Term Bonds (the "Series 2015 Utility Term Bonds") from amounts on deposit in the Interest and Sinking Fund, pursuant to the following mandatory redemption schedule:

Mandatory Redemption Date	Mandatory Sinking Fund Payment

*final maturity

On each Mandatory Redemption Date, the Trustee shall make the Mandatory Sinking Fund Payment from the Series 2015 Utility Bonds Interest and Sinking Account established pursuant to Section 4.1(b) herein. The Series 2015 Utility Term Bonds shall be prepaid in principal amounts of $5,000 or integral multiples thereof. The principal amount of the Series 2015 Utility Term Bonds required to be prepaid on each Mandatory Redemption Date shall be reduced, at the option of the Issuer, by the principal amount of any Series 2015 Utility Term Bonds which, at least forty-five (45) days prior to the Mandatory Redemption Date, have been acquired by the Issuer and delivered to the Trustee for cancellation or have been redeemed (otherwise than through mandatory sinking fund redemption) and canceled by the Trustee and not theretofore credited against a scheduled mandatory redemption. Each such Series 2015 Utility Term Bond so delivered or

previously purchased or redeemed shall be credited by the Trustee at 100% of the principal amount thereof on the obligation of the Issuer on such Mandatory Redemption Date, and any excess shall be credited on future mandatory redemption in inverse order of maturity, and the principal amount of such Series 2015 Utility Term Bonds to be redeemed by operation of mandatory prepayment shall be reduced accordingly.

Redemptions pursuant to this provision of the Second Supplemental Trust Agreement shall be made by lot or other customary random method, rounded to the nearest $5,000, among the Owners of each date of maturity. In connection with any such redemption prior to maturity, the Trustee shall make appropriate entries in the Bond Register to reflect a portion of any Series 2015 Utility Bond so redeemed and the amount of the principal remaining Outstanding. The Trustee's notation in the Bond Register shall be conclusive as to the principal amount of any Outstanding Bond at any time."]

ARTICLE IV

AMENDMENTS TO THE MASTER TRUST AGREEMENT AND FIRST SUPPLEMENTAL TRUST AGREEMENT

Section 4.01 Amendments to Article IV of the Master Trust Agreement and the First Supplemental Trust Agreement. The terms of Article IV of each of the Master Trust Agreement and the First Supplemental Trust Agreement are in full force and effect except with respect to the provisions below which shall amend such provisions of the Master Trust Agreement and the First Supplemental Trust Agreement with respect to the Series 2015 Utility Bonds, and such provisions as set forth below shall be applicable to the Series 2015 Utility Bonds. In the event of a conflict between the provisions of the Master Trust Agreement and the First Supplemental Trust Agreement and this Second Supplemental Trust Agreement, the provisions of the Second Supplemental Trust Agreement shall control with respect to the Series 2015 Utility Bonds.The provisions of Section 4.1 of the Master Trust Agreement and Section 4.01 of the First Supplemental Trust Agreement are hereby amended as follows:

"The Issuer hereby covenants and agrees that all Contract Revenues and Special Assessment Revenues (other than interest and investment earnings, and revenues received as a Prepayment of a Special Assessment), have been and shall be deposited, as collected and received, into a separate account previously created, established, and maintained with the Trustee known as the "City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility System Bonds (Lewisville Castle Hills Public Improvement District No. 5 Project) Collection Fund" (the "Collection Fund") and that the Contract Revenues and Special Assessment Revenues have been and shall be kept separate and apart from all other funds of the Issuer. All Contract Revenues and Special Assessment Revenues deposited into the Collection Fund pursuant to this shall, upon receipt, be transferred to the following Funds in the following order of priority:

FIRST: To the Series 2014 Utility Bonds Interest and Sinking Fund Account and the Series 2015 Utility Bonds Interest and Sinking Fund Account, amounts necessary, if any, to increase the balance in such account to an amount equal to the aggregate amount of all remaining scheduled

Debt Service Requirements during the next Fiscal Year for the Bonds, as provided herein, or a greater amount designated by the Issuer with the prior written approval of District No. 1-G;

SECOND: To the Series 2014 Utility Bonds Redemption Account and the Series 2015 Utility Bonds Redemption Account, any amounts required for optional redemptions of the Series 2014 and Series 2015 Utility Bonds, respectively, (other than mandatory sinking fund redemptions) during the Fiscal Year in which the Contract Revenues or Special Assessment Revenues are deposited into the Collection Fund;

THIRD: To the Series 2014 Utility Bonds Administrative Expense Account and the Series 2015 Utility Bonds Administrative Expense Account, amounts necessary, if any, to increase the balance in the Series 2014 Utility Bonds Administrative Expense Account and the Series 2015 Utility Bonds Administrative Expense Account to the amount expended from the Administrative Expense Fund, Series 2014 Utility Bonds Administrative Expense Account and Series 2015 Utility Bonds Administrative Expense Account, respectively, on average during the previous three (3) Fiscal Years of the Issuer; and

FOURTH: To the Debt Service Reserve Fund; until the Debt Service Reserve Fund has a balance equal to the Debt Service Reserve Amount.

FIFTH: To the Issuer to be used for any lawful purpose, including the payment or redemption of Outstanding Bonds.

(b) The provisions of Section 4.2 of the Master Trust Agreement are hereby amended by adding the following paragraph:

"For purposes of providing funds to pay the Debt Service Requirements on the Series 2015 Utility Bonds as the same become due and payable, the Issuer agrees to maintain at the Trustee, a separate and special account to be created and known as the "Series 2015 Utility Bonds Interest and Sinking Account." There shall also be deposited into the Series 2015 Utility Bonds Interest and Sinking Account no later than the tenth (10th) day prior to each Interest Payment Date on the Series 2015 Utility Bonds, from the available Contract Revenues and Special Assessment Revenues in the Collection Fund, an amount which, together with sums on deposit in the Series 2015 Utility Bonds Interest and Sinking Account, shall be equal to one hundred percent (100%) of the amount required to fully pay the principal of, premium, if any and interest on the Series 2015 Utility Bonds payable at such Interest Payment Date, at maturity, if applicable, or as a Mandatory Scheduled Redemption."

(c) The provisions of Section 4.3 of the Master Trust Agreement are hereby amended by adding the following paragraph:

"There is hereby established with the Trustee a special account within the Prepayment Fund established pursuant to Section 4.3 of the Master Trust Agreement to be known as the "Series 2015 Utility Bond Prepayment Account". Upon receiving a Prepayment of Special Assessments for the payment of the Debt Service Requirements on the Outstanding Bonds (which Prepayments shall be identified in writing by the Issuer), the Trustee shall deposit the amount of such Prepayment into the Prepayment Fund under the Master Trust Agreement to be distributed to the Series 2015 Utility Bond Prepayment Account and any other account created under the Prepayment Fund by a

Supplemental Indenture, including the Series 2014 Utility Bond Prepayment Account, on a pro rata basis based upon the principal amount of any bonds outstanding under the Master Trust Agreement pursuant to a Supplemental Indenture and the Series 2015 Utility Bonds outstanding. Promptly following the deposit of any such Prepayment, the Trustee shall transfer such amounts representing unpaid principal of the Special Assessment as set forth in Section 4.8 of the Master Trust Agreement directly into the Redemption Fund to be deposited to the Series 2015 Utility Bond Redemption Account to be used to redeem or purchase Outstanding Assessment Bonds on a pro rata basis and such pro rata amounts representing unpaid interest as set forth in Section 4.8 of the Master Trust Agreement and Section 4.01(f) of this Second Supplemental Trust Agreement to the Series 2015 Utility Bonds Interest and Sinking Account (as defined herein)."

(d) The provisions of Section 4.4 of the Master Trust Agreement are hereby amended by adding a fourth paragraph as follows:

"There is hereby created with the Trustee a special account within the Administrative Expense Fund established in Section 4.4 of the Master Trust Agreement, herein called the Series 2015 Utility Bonds Administrative Expense Account," to be designated and maintained by the Trustee as a separate account, distinct from all other accounts of the Issuer with the Trustee. The Trustee has deposited into the Series 2015 Utility Bonds Administrative Expense Account from the proceeds of the Series 2015 Utility Bonds an amount equal to non-construction costs, fees for professional services, including attorneys, engineers, financial service professionals and costs of issuance of the above-referenced Series 2015 Utility Bonds. The Issuer may draw monies from this Fund to pay costs of issuance of the above-referenced Series 2015 Utility Bonds by delivery to the Trustee of a Request for Disbursement in the form set out as Exhibit "D" to the Master Trust Agreement, executed by the Issuer and District No. 1-G. Any surplus money remaining in the Series 2015 Utility Bonds Administrative Expense Account on March 1, 2016 shall be transferred into the Series 2015 Utility Bonds Interest and Sinking Account. Thereafter, the Trustee shall deposit into the Series 2015 Utility Bonds Administrative Expense Account from Contract Revenues and Special Assessment Revenues all amounts due the Series 2015 Utility Bonds Administrative Expense Account pursuant to Section 4.1 of the Master Trust Agreement and Section 4.01 of the Second Supplemental Trust Agreement. Such amounts shall be applied by the Trustee to pay Administrative Expenses as they become due, and unexpended balances remaining after the payment of Administrative Expenses in Fiscal Years following the Fiscal Year ending September 30, 2015 shall be transferred to the Series 2015 Utility Bonds Redemption Account for redemption of Series 2015 Utility Bonds."

(e) The provisions of Section 4.5 of the Master Trust Agreement are hereby amended by adding the following paragraph:

"At closing, a portion of the proceeds of the Series 2015 Utility Bonds shall be deposited to the Debt Service Reserve Fund in an amount sufficient to meet the Debt Service Reserve Fund Requirement Amount for the Series 2015 Utility Bonds. The Debt Service Reserve Fund shall be used for the purpose of paying principal of and interest on Outstanding Assessment Bonds, including the Series 2015 Utility Bonds, as they become due in the event there should be insufficient funds for said payment in the Interest and Sinking Fund. Subject to the flow of funds in Section 4.01 of the Second Supplemental Trust Agreement and Section 4.1 of the Master Trust Agreement, the Issuer shall deposit Contract Revenues and Special Assessment Revenues to the

Debt Service Reserve Fund which are designated for such purposes by the Issuer. The Debt Service Reserve Fund shall be funded up to an amount not less than the Debt Service Reserve Amount from any lawfully available funds in the following manner:

(1) Each deposit shall be credited with earnings from the investment of the balance of the Debt Service Reserve Fund.

(2) Contract Revenues and Special Assessment Revenues shall be deposited to the Debt Service Reserve Fund pursuant to Section 4.1 of the Master Trust Agreement and Section 4.01 of the Second Supplemental Trust Agreement.

(3) Upon payment default with respect to any Outstanding Assessment Bonds, payments from the Debt Service Reserve Fund shall be made on a pro rata basis based upon the principal amount of each series of Outstanding Assessment Bonds in default.

(4) Upon any shortfall in the Debt Service Reserve Fund, District 1-G must make payments sufficient to restore the Debt Service Reserve Fund to the Debt Service Reserve Amount (a) in 12 consecutive equal monthly installments beginning in the month following any withdrawal from the Debt Service Reserve Fund or (b) in 4 consecutive equal monthly installments beginning in the month following any calculation of the value of the Debt Service Reserve Fund at any amount less than the Debt Service Reserve Amount.

(5) The Issuer shall not, under any circumstances, have an obligation to provide funds for the purpose outlined in this Section 4.5 or any other provision of the Master Trust Agreement or of any supplemental trust agreement, including the Second Supplemental Trust Agreement, or any of the discounts relevant to the transaction contemplated by the Second Supplemental Trust Agreement."

(f) The provisions of Section 4.8 of the Master Trust Agreement are hereby amended by adding the following paragraph as follows:

"There is hereby created a special account with the Trustee to be called the "Series 2015 Utility Bonds Redemption Account" within the Redemption Fund created by Section 4.8 of the Master Trust Agreement. The Trustee shall deposit into the Series 2015 Utility Bonds Redemption Account all amounts required to be transferred to such Account from the Collection Fund and the Series 2015 Utility Bonds Prepayment Account pursuant to Sections 4.1 and 4.3 of the Master Trust Agreement, respectively. The Trustee shall apply all such amounts in the Series 2015 Utility Bonds Redemption Account, to redeem or purchase the Outstanding Series 2015 Utility Bonds, on a pro rata basis, in accordance with Section 6.1 or 6.2 hereof. Accrued interest on any Outstanding Series 2015 Utility Bonds redeemed shall be paid from the Series 2015 Utility Bonds Interest and Sinking Account. The redemption premium shall be paid from amounts transferred to the Series 2015 Utility Bonds Redemption Account."

Section 4.02 Amendments to Section 5.2 of the Master Trust Agreement. The terms of Section 5.2 of the Master Trust Agreement are in full force and effect except with respect to the provisions below which shall amend such provisions of the Master Trust Agreement with respect to the Series 2015 Utility Bonds, and such provisions as set forth below shall be applicable to the Series 2015 Utility Bonds. In the event of a conflict between the provisions of the Master Trust Agreement, the First Supplemental Trust Agreement and this Second Supplemental Trust Agreement, the provisions of the Second Supplemental Trust Agreement shall control with respect to the Series 2015 Utility Bonds. The provisions of Section 5.2 of the Master Trust Agreement are hereby amended by adding the following paragraphs as follows:

(a) Actions Taken by Series 2015 Utility Bonds Bondholder Representative. Notwithstanding anything in the Second Supplemental Trust Indenture to the contrary, if an Event of Default, as set forth in Section 5.1 of this Master Trust Agreement, shall have occurred and be continuing, the Series 2015 Utility Bonds Bondholder Representative, in its sole discretion as evidenced by written notice delivered to the Trustee, may (but shall not be required to), (i) in lieu of the Trustee, exercise such one or more of the rights and powers conferred on the Trustee by Article X of this Master Trust Agreement; and (ii) such rights and powers granted to Issuer under this Master Trust Agreement, and such rights of the Owners under this Master Trust Agreement, either by a suit or suits in equity or in law for the enforcement of any appropriate equitable or legal remedy the Series 2015 Utility Bonds Bondholder Representative shall deem appropriate.

(b) Appointment of Series 2015 Utility Bonds Bondholder Representative.

(1) The Owners of not less than a majority in aggregate principal amount of the Series 2015 Utility Bonds then Outstanding may, but shall not be required to, from time to time, appoint a representative or agent, by giving signed, written notice of such appointment to the Trustee, to act on behalf of the Owners to give any consents, authorizations, or approvals; exercise any rights; or take any other action as may be taken by the Owners under this Master Trust Agreement on such terms and conditions as such Owners may deem advisable (a "Bondholder Representative"). Upon such appointment, the Trustee shall accept the consent, authorization, or direction of such Bondholder Representative to the extent specified in such notice, as it would accept such action from the Owners of not less than a majority in aggregate principal amount of the Series 2015 Utility Bonds then Outstanding. A Bondholder Representative may be an Owner.

(2) Unless otherwise specified in the notice delivered to the Trustee by the Owners of not less than a majority in aggregate principal amount of the Series 2015 Utility Bonds then Outstanding appointing a Bondholder Representative pursuant to Section 5.2 hereof, such Bondholder Representative shall be the sole representative of such Owners with respect to all matters specifically listed in such notice for which such Owners are authorized to act under this Master Trust Agreement, until a signed, written notice of the removal of the Bondholder Representative shall be delivered to the Trustee by the Owners of not less than a majority in aggregate principal amount of the Series 2015 Utility Bonds then Outstanding. A Bondholder Representative may resign at any time by delivering written notice thereof to the Trustee. Any notice of removal or resignation meeting the foregoing requirements shall be effective immediately upon receipt thereof by the Trustee. In no event shall more than one Bondholder Representative be appointed to represent the Owners of not less than a majority in aggregate principal amount of the Series 2015 Utility Bonds then Outstanding.

(c) Bondholder Representative Expenses. The Trustee shall pay the reasonable fees and expenses (including reasonable fees and expenses of counsel) of any Bondholder Representative, upon invoice, incurred in connection with the acceptance or administration of its rights and duties (on behalf of the Owners) under this Master Trust Agreement, and in connection with any amendment, modification, supplemental, consent or waiver with respect to or required under the Bonds, or in connection with the enforcement thereof, except any such expense, disbursement or advance as may arise from its gross negligence, bad faith, or willful misconduct. Unless the Trustee receives written notice to the contrary, the Trustee may assume that there is no claim that any such expense, disbursement or advance may arise from its gross negligence, bad faith, or willful misconduct of a Bondholder Representative and that such expenses, disbursements or advances are reasonable.

(d) Notices and Reporting Obligations. The appointment of a Bondholder Representative shall in no way affect any reporting or notice requirements of the Owners hereunder, except that such Bondholder Representative shall also receive copies of all such reports and notices.

Section 4.03 Amendments to Section 2.9 of the Master Trust Agreement. The terms of Section 2.9 of the Master Trust Agreement are in full force and effect except with respect to the provisions below which shall amend such provisions of the Master Trust Agreement with respect to the Series 2015 Utility Bonds, and such provisions as set forth below shall be applicable to the Series 2015 Utility Bonds. In the event of a conflict between the provisions of the Master Trust Agreement, the First Supplemental Trust Agreement and this Second Supplemental Trust Agreement, the provisions of the Second Supplemental Trust Agreement shall control with respect to the Series 2015 Utility Bonds. The provisions of Section 2.9 of the Master Trust Agreement are hereby amended by adding the following paragraphs as follows:

(a) The Series 2015 Utility Bonds are transferable only to accredited investors and/or qualified institutional buyers upon delivery of an investor letter executed by the transferee, except that:

(1) At any time on and after the date on which the Assessed Value first equals or exceeds $265,000,000.00, the Series 2015 Utility Bonds shall be transferable to accredited investors and/or qualified institutional buyers without delivery of an investor letter; and

(2) At any time on and after the date on which the Series 2015 Utility Bonds or any other Bonds issued by the PID are first rated "BBB-" or higher by Standard & Poors or Fitch or "Baa3" or higher by Moody's, then the Series 2015 Utility Bonds shall be transferable to any type of investor without delivery of an investor letter.

This Second Supplemental Trust Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

This written Second Supplemental Trust Agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.

There are no unwritten oral agreements between the parties.

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IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Trust Agreement to be executed on their behalf by their duly authorized officers all as of the day and year first above written.

EXECUTED as of the ___ day of _____, 2015.

CITY OF LEWISVILLE ("Issuer")

By:_____
Name: _____
Title: _____

ATTEST:
By:_____
Name: Julie Heinze
Title: City Secretary

WILMINGTON TRUST, NATIONAL ASSOCIATION
("Trustee")

By:_____
Name: Camila J. Lindsey
Title: Assistant Vice President

EXHIBIT A

FORM OF SERIES 2015 UTILITY BONDS

EXHIBIT B

FORM OF INITIAL SERIES 2015 UTILITY BOND

EXHIBIT C

SERIES 2015 AUTHORIZED UTILITY EXPENDITURES

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

IN THE OPINION OF BOND COUNSEL, INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR PURPOSES OF FEDERAL INCOME TAXATION UNDER EXISTING STATUTES, REGULATIONS, PUBLISHED RULINGS AND COURT DECISIONS AS DESCRIBED UNDER "TAX EXEMPTION" HEREIN. SEE "LEGAL MATTERS" AND "TAX EXEMPTION" HEREIN FOR A DISCUSSION OF BOND COUNSEL'S OPINION, INCLUDING A DESCRIPTION OF CERTAIN ALTERNATIVE MINIMUM TAX CONSEQUENCES FOR CORPORATIONS.

NEW ISSUE

$10,950,000*
CITY OF LEWISVILLE, TEXAS
COMBINATION CONTRACT REVENUE AND SPECIAL ASSESSMENT UTILITY SYSTEM BONDS, SERIES 2015 (LEWISVILLE CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT NO. 5 PROJECT)

Dated: December 1, 2015 Due: September 1, 2035
Interest Accrues: Date of Initial Delivery

The $10,950,000* City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2015 (Lewisville Castle Hills Public Improvement District No. 5 Project) (the "Bonds") will be issued by the City of Lewisville, Texas (the "Issuer") in fully registered form. The Bonds will be in authorized denominations of $25,000 and integral multiples of $5,000 in excess thereof. The Trustee and Paying Agent/Registrar for the Bonds is Wilmington Trust, National Association, in Dallas, Texas. Interest on the Bonds will be paid by check mailed by the Paying Agent/Registrar on or before each interest payment date to the registered owners of the Bonds at the addresses shown on the Bond registration books kept by the Paying Agent/Registrar. Principal of the Bonds is payable to the registered owners at maturity or earlier redemption only upon presentation and surrender of the Bonds at the corporate trust office of the Paying Agent/Registrar in Dallas, Texas.

Interest on the Bonds accrues at the rate of 6.00% per annum from the date of initial delivery thereof, calculated on the basis of a 360-day year comprised of twelve 30-day months, and is payable on March 1, 2016, and on each September 1 and March 1 thereafter until maturity or prior redemption. The Bonds are subject to optional, mandatory sinking fund, and special mandatory redemption as more fully described herein. Upon redemption, the Bonds will be payable at prices described herein, plus accrued interest to the date of redemption. See "THE BONDS - Redemption Provisions."

The proceeds of the Bonds will be applied to pay the costs of acquiring and constructing certain water, sewer, and drainage facilities within the Improvement District (hereinafter defined) and to pay certain costs of issuance of the Bonds. See "PLAN OF FINANCING."

The Bonds, when issued, constitute valid and legally binding special obligations of the Issuer. An amount, on a cumulative basis, not less than one percent (1%) of the original principal amount of the Bonds, together with interest thereon, is payable from and secured by a pledge of and lien on certain Special Assessment Revenues (as defined herein) levied by the Issuer against benefitted property within the Lewisville Castle Hills Public Improvement District No. 5 (the "Improvement District"), a public improvement district of the Issuer, all of which is located within the Issuer's extraterritorial jurisdiction and all of which is located within the District (hereinafter defined), all to the extent and upon the conditions described herein. An amount equal to the balance of the original principal amount of the Bonds, together with interest thereon, but in no event to exceed, on a cumulative basis, ninety-nine percent (99%) of the original principal amount of the Bonds, together with interest thereon, is payable from certain Contract Revenues (as defined herein) paid by Denton County Fresh Water Supply District No. 1-G (the "District"), which Contract Revenues are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. See "THE BONDS - Sources of Payment."

THE BONDS ARE SPECIAL REVENUE OBLIGATIONS OF THE ISSUER AND ARE NOT OBLIGATIONS OF DENTON COUNTY, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION OTHER THAN THE ISSUER AND THE DISTRICT. THE BONDS ARE NOT PAYABLE FROM ANY FUNDS RAISED OR TO BE RAISED BY TAXATION BY THE ISSUER OR FROM ANY OTHER SOURCE OF FUNDS OF THE ISSUER OTHER THAN CONTRACT REVENUES AND SPECIAL ASSESSMENT REVENUES.

THE BONDS ARE SUBJECT TO SPECIAL RISK FACTORS DESCRIBED HEREIN. See "RISK FACTORS" herein.

THIS LIMITED OFFERING MEMORANDUM IS FURNISHED WITH THE EXPRESS UNDERSTANDING THAT IT IS SOLELY FOR THE PURPOSE OF CONSIDERATION BY PROSPECTIVE PURCHASERS OF THE BONDS WHO ARE BOTH (i) "QUALIFIED INSTITUTIONAL BUYERS" (WITHIN THE MEANING OF RULE 144A OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC")) AND (ii) "INSTITUTIONAL INVESTORS" WITHIN THE MEANING OF APPLICABLE STATE SECURITIES LAWS, AND IS NOT TO BE USED FOR ANY OTHER PURPOSE OR MADE AVAILABLE TO ANYONE NOT DIRECTLY CONCERNED WITH THE DECISION REGARDING SUCH PURCHASE. INITIAL PURCHASERS OF THE BONDS WILL BE REQUIRED TO EXECUTE AN INVESTMENT LETTER IN THE FORM SET FORTH IN APPENDIX H HERETO.

UNLESS CERTAIN CONDITIONS ARE MET, AS DESCRIBED UNDER "THE BONDS - LIMITATIONS ON TRANSFERS," THE TRANSFER OF THE BONDS MAY BE LIMITED TO CERTAIN TRANSFEREES AND SUCH TRANSFEREES MAY BE REQUIRED TO PROVIDE TO THE PAYING AGENT/REGISTRAR A TRANSFEREE LETTER IN THE FORM SET FORTH IN APPENDIX I HERETO PRIOR TO ANY SUCH TRANSFER.

The Bonds will be delivered when, as and if issued, subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the opinion of Winstead PC, Dallas, Texas, Bond Counsel. Certain legal matters will be passed upon for Raymond James & Associates, Inc., as placement agent (the "Placement Agent') by its counsel McCall, Parkhurst & Horton L.L.P., Dallas, Texas. The Bonds in definitive form are expected to be available for delivery in Dallas, Texas on or about December 29, 2015.

RAYMOND JAMES

_____, 2015

*Preliminary; subject to change.

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USE OF INFORMATION IN LIMITED OFFERING MEMORANDUM

General

None of the Issuer, its Financial Advisor, the Purchaser (as defined herein) or the Placement Agent makes any representation regarding the information contained in this Limited Offering Memorandum regarding The Depository Trust Company, or its book-entry-only system, as such information has been furnished by the Depository Trust Company.

The cover page contains certain information for general reference only and is not intended as a summary of this offering. Investors should read the entire Limited Offering Memorandum, including all schedules and appendices attached hereto, to obtain information essential to making an informed investment decision.

THIS LIMITED OFFERING MEMORANDUM CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS.

No dealer, broker, salesman or other person has been authorized by the Issuer or the Placement Agent to give any information or to make any representations other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Issuer or the Placement Agent.

This Limited Offering Memorandum does not constitute, and is not authorized by the Issuer for use in connection with, an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

All of the summaries of the statutes, resolutions, orders, contracts, audits, engineering and other related reports set forth in this Limited Offering Memorandum are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from the Issuer.

This Limited Offering Memorandum contains, in part, estimates, assumptions and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions or matters of opinion, or as to the likelihood that they will be realized. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the condition of the Issuer or other matters described herein since the date hereof. However, the Issuer has agreed to keep this Limited Offering Memorandum current by amendment or sticker to reflect material changes in the affairs of the Issuer, and to the extent that information actually comes to its attention, the other matters described in this Limited Offering Memorandum, until delivery of the Bonds to the Purchasers thereof.

The Placement Agent has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Placement Agent does not guarantee the accuracy or completeness of such information.

THE TRUSTEE ASSUMES NO RESPONSIBILITY FOR THIS LIMITED OFFERING MEMORANDUM AND HAS NOT REVIEWED OR UNDERTAKEN TO VERIFY ANY INFORMATION CONTAINED HEREIN.

Securities Laws

No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein, nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The Issuer assumes no responsibility for registration or qualification of the Bonds under the securities laws of any other jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdictions.

MUNICIPAL BOND RATING

The Issuer has not applied for a municipal bond rating on the Bonds and it is not expected that an investment grade rating would have been obtained had such application been made.

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LIMITED OFFERING MEMORANDUM SUMMARY

The following summary of certain information contained herein is qualified in its entirety by the detailed information appearing elsewhere in this Limited Offering Memorandum. The reader should refer particularly to sections that are indicated for more detailed information.

THE BONDS

The Issuer	City of Lewisville, Denton County, Texas (the "Issuer" or the "City"), a home rule city existing under the Constitution and laws of the State of Texas. See "THE ISSUER."
The District	Denton County Fresh Water Supply District No. 1-G (the "District"), a political subdivision of the State of Texas and a conservation and reclamation district under Article XVI, Section 59 of the Texas Constitution, located wholly within the extraterritorial jurisdiction of the Issuer, operating under Chapters 49 and 51, Texas Water Code, as amended, with certain rights, powers, privileges, authority, and functions derived from Chapter 53, Texas Water Code, as amended. See "THE DISTRICT."
The Improvement District	Lewisville Castle Hills Public Improvement District No. 5 (the "Improvement District"), a public improvement district under Chapter 372, Texas Local Government Code, all of which is located within the extraterritorial jurisdiction of the Issuer and all of which is also located within the boundaries of the District. See "THE IMPROVEMENT DISTRICT."
Description	City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2015 (Lewisville Castle Hills Public Improvement District No. 5 Project) (the "Bonds") in the aggregate principal amount of $10,950,000*, is dated November 1, 2015, and mature on September 1, 2035. Interest on the Bonds accrues at the rate of 6.00% per annum from the date of initial delivery thereof to the Purchaser (as defined herein) and is payable on March 1, 2016, and on each September 1 and March 1 thereafter until maturity or prior redemption. The Bonds are issued pursuant to an ordinance adopted by the City Council of the Issuer on December 7, 2015 (the "Bond Ordinance") and a Master Trust Agreement, dated as of May 1, 2014, as supplemented by a First Supplemental Trust Agreement, dated as of May 1, 2014, and a Second Supplemental Trust Agreement, dated as of December 1, 2015 (the "Utility Trust Agreement"), between the Issuer and Wilmington Trust, National Association in Dallas, Texas (the "Trustee," "Paying Agent/Registrar," or "Paying Agent") securing the Bonds. The Issuer has also entered

*Preliminary; subject to change.

into a Master Trust Agreement, dated as of May 1, 2014, as supplemented by a First Supplemental Trust Agreement, dated as of May 1, 2014 (the "Road Trust Agreement") with the Trustee, with respect to the Outstanding Road Bonds (hereinafter defined) (the Utility Trust Agreement and the Road Trust Agreement, collectively, the "Trust Agreements").

Optional Redemption . . . . . The Bonds maturing on and after September 1, 2019, are subject to redemption prior to maturity, in whole or in part from time to time, on September 1, 2018, or on any date thereafter at the option of the District at the redemption prices set forth herein under "THE BONDS - Redemption Provisions - *Optional Redemption*." If fewer than all the Bonds are optionally redeemed at any time, the amounts to be redeemed shall be designated by the Issuer and the particular Bonds shall be selected by the Trustee by lot or other customary method of random selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form). See "THE BONDS - Redemption Provisions - Optional Redemption."

Mandatory Sinking Fund Redemption . The Bonds are also subject to mandatory sinking fund redemption, by lot or other customary method of random selection designated by the Trustee, at a price equal to the principal amount thereof plus accrued interest to the date of redemption in the amounts and on the dates described herein under "THE BONDS - Redemption Provisions - Mandatory Sinking Fund Redemption."

Special Mandatory Redemption . . . . . Bonds not exceeding $110,000 in principal amount are subject to special mandatory redemption prior to maturity on any date, at a price equal to the principal amount of the Bonds, or portions thereof, to be redeemed, plus accrued interest thereon, to the date fixed for redemption from Special Assessment Revenues resulting from prepayments of Special Assessments (credited pro rata among the Bonds, the Outstanding Bonds (as defined herein) and any Additional Bonds (as defined herein) based upon respective amounts outstanding). The amounts of Bonds to be redeemed shall be designated by the Issuer and the particular Bonds shall be selected by the Trustee by lot or other customary method of random selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

Source of Payment . . . . . Principal of and interest on the Bonds are payable from certain Contract Revenues (as defined herein) paid by the District pursuant to a 2008 Joint Utility Contract (the "Utility Contract") among the Issuer, the District and Denton County Fresh Water Supply District No. 1-A ("District No. 1-A") and Special Assessment Revenues (as

defined herein) collected by the Issuer from within the Improvement District. The District has also entered into a 2008 Joint Road Contract (the "Road Contract) (the Utility Contract and the Road Contract, collectively, the "Contracts") with the Issuer and District No. 1-A providing for security for road bonds issued pursuant thereto. An amount, on a cumulative basis, not less than one percent (1%) of the original principal amount of the Bonds, together with interest thereon, is payable from Special Assessment Revenues and an amount equal to the balance of the original principal amount of the Bonds, together with interest thereon, but in no event to exceed, on a cumulative basis, ninety-nine percent (99%) of the original principal amount of the Bonds is payable from Contract Revenues. Special Assessment Revenues are payable from Special Assessments (as defined in the Trust Agreements) levied by the Issuer within the Improvement District against benefitted property within the Improvement District, to the extent and upon the conditions described herein. Contract Revenues are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied by the District upon all taxable property located within the District. **The Bonds are special revenue obligations of the Issuer and are not obligations of Denton County, Texas, the State of Texas or any political subdivision other than the Issuer and the District. The Bonds are not payable from any funds raised or to be raised by taxation by the Issuer or from any source of funds of the Issuer other than Contract Revenues and Special Assessment Revenues.** See "THE BONDS - Source of Payment," "TAX DATA - Tax Rate Calculations," and "RISK FACTORS - Maximum Impact on District Tax Rates."

Other Characteristics . . . . . The Bonds will be issued in fully registered form in the denomination of $25,000 and in integral multiples of $5,000 in excess thereof, and will be in book-entry-only form. See "THE BONDS - Book-Entry-Only System."

Use of Proceeds . . . . . Proceeds of the sale of the Bonds will be used to pay the costs of acquiring and constructing certain water, sewer, and drainage facilities within the Improvement District and to pay the costs of issuance of the Bonds. See "PLAN OF FINANCING - Sources and Uses of Funds."

Outstanding Bonds and Payment Record . . . . . The Bonds constitute the third series of bonds issued by the Issuer pursuant to the Contracts and the second series of bonds issued by the Issuer pursuant to the Utility Contract. The Issuer has previously issued its City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2014 (Lewisville Castle Hills Public Improvement District No.

5 Project), in the original principal amount of $3,255,000 (the "Outstanding Utility Bonds") and its City of Lewisville, Texas Combination Contract Revenue and Special Assessment Road System Bonds, Series 2014 (Lewisville Castle Hills Public Improvement District No. 5 Project), in the original principal amount of $4,495,000 (the "Outstanding Road Bonds" and with the Outstanding Utility Bonds, collectively, the "Outstanding Bonds") all of which remain outstanding. The Issuer has timely paid all debt service due on the Outstanding Bonds.

Municipal Bond Ratings . . . . . The Issuer has not applied for a municipal bond rating on the Bonds and it is not expected that an investment grade rating would have been obtained had such application been made.

Authorized but Unissued Bonds . . . . . The Issuer has the right in the Bond Ordinance and Trust Agreements to issue bonds, in the maximum amount of $36,000,000 (not including refunding bonds), consisting of $25,600,000 for utility purposes and $10,400,000 for road purposes pursuant to the Contracts (as defined herein). After issuance of the Bonds the Issuer will have the right to issue an additional $11,395,000 for utility purposes and an additional $5,905,000 for road purposes pursuant to the Contracts. See "THE BONDS - Legal Ability of the Issuer to Issue Additional Debt."

Legal Opinion . . . . . Winstead PC, Dallas, Texas, Bond Counsel.

THE ISSUER

Description . . . . . The City of Lewisville, Texas (the "Issuer" or the "City") is a home rule city under the Constitution and laws of the State of Texas. The City, incorporated in 1925, is located in the southeastern portion of Denton County on Interstate Highway 35-E, 20 miles north of Dallas, 34 miles northeast of Fort Worth, 15 miles southeast of Denton and 8 miles north of Dallas-Fort Worth International Airport. See "THE ISSUER - Description" and "APPENDIX A - AERIAL PHOTOGRAPH."

Authority . . . . . The rights, powers, privileges, authority and functions of the Issuer are established by the Constitution and laws of the State of Texas pertaining to home rule municipal corporations and the Issuer's home rule charter.

THE DISTRICT

Description . . . . . Denton County Fresh Water Supply District No. 1-G (the "District") is a political subdivision of the State of Texas and a conservation and reclamation district under Article XVI, Section 59 of the Texas Constitution, containing approximately 307.074 acres, and located entirely within the extraterritorial jurisdiction of the Issuer.

Authority	The rights, powers, privileges, authority and functions of the District are established by the general law of the State of Texas, pertaining to water control and improvement districts, particularly, Chapters 49 and 51, Texas Water Code, as amended. In addition, certain reserved rights, powers, privileges, authority and functions of the District are derived from Chapter 53, Texas Water Code, as amended.
Development of the District	Land within the District is being developed for single-family and commercial mixed-use projects. Proceeds of the Outstanding Bonds were used, and proceeds of the Bonds will be used, to pay the costs of acquiring and constructing certain water, sewer, and drainage facilities (the "Utility System") and certain streets and roads (the "Road System") (the Utility System and the Road System, collectively, the "System") to serve a 312 unit apartment complex (100% complete), known as Platinum Castle Hills, on 15.6 acres, a 316-unit apartment complex (100% complete), known as Aura Castle Hills, on 15.8 acres, and a 324-unit apartment complex (100% complete), known as Parkside Windhaven on 16.2 acres. Approximately 35 acres have been developed into 155 single family lots as part of Castle Hills, Phase 8. Racetrac (Mountainprize, Inc.) purchased approximately 1.884 acres for development of a fueling station with a large convenience store. Approximately 35 acres have been developed as a strip shopping center anchored by a Kroger Signature grocery store and approximately 37 acres have been developed as a site for an office park. Proceeds of the Bonds will be used to provide portions of the System to serve approximately 135.22 undeveloped but developable acres within the District, all of which is expected to be developed into commercial property. Upon completion of such development, there will be no remaining undeveloped, but developable acreage within the District. There is no assurance that proceeds of the Bonds will be sufficient to complete construction of the System. The Developer (hereinafter defined) is under no obligation to complete construction of the System if proceeds of the Bonds are insufficient for such purpose. See "RISK FACTORS - Construction Risks and Facilities Costs" and "THE SYSTEM - Status of Construction."
Builders	The Developer has entered into a lot sales contract with Highland Homes and American Legend Homes. Such lot sales contracts require 15% earnest money from the builders. See "DEVELOPMENT OF THE DISTRICT AND FUTURE DEVELOPMENT - Builders."

THE IMPROVEMENT DISTRICT

Description	Lewisville Castle Hills Public Improvement District No. 5 (the "Improvement District") is a public improvement district authorized under Chapter 372, Texas Local Government Code, containing approximately 309.634 acres. The Improvement District is located wholly within the extraterritorial jurisdiction of the Issuer and within the boundaries of the District.
Authority	The Improvement District is a public improvement district of the Issuer under the provisions of Chapter 372, Texas Local Government Code.

THE CASTLE HILLS PROJECT

Description	The District is part of the master planned community known as Castle Hills (the "Castle Hills Project"). The Castle Hills Project is a development of Bright Realty, LLC (together with certain predecessors and subsidiaries, collectively, "Bright Realty"). See "THE DEVELOPER" below. The Castle Hills Project consists of approximately 2,417.963 acres of land, approximately 307.074 acres of which are located within the District. Approximately 2,110.889 acres are located in Denton County Fresh Water Supply Districts Nos. 1-A, 1-B, 1-C, 1-D, 1-E, 1-F, and 1-H. NONE OF THE LAND IN SUCH OTHER DISTRICTS IS SUBJECT TO TAXATION BY THE DISTRICT OR ASSESSMENT BY THE ISSUER, THROUGH THE IMPROVEMENT DISTRICT, FOR THE PURPOSE OF PAYING THE BONDS. According to the Developer, the ultimate land use within the Castle Hills Project is currently projected as follows: approximately 1,386.8 acres will be subdivided into approximately 3,928 single family lots, approximately 653.6 acres (including The Lakes at Castle Hills golf course as described below) will be used for the development of commercial mixed-use projects, approximately 249.1 acres will be developed as multi-family communities, and approximately 212 acres have been developed as an 18 hole golf course and country club known as The Lakes at Castle Hills. Swimming and tennis facilities, drainage, easements, streets rights-of-way, utility easements, open space, lakes, parks and greenbelts are included in the single-family acreage.
Status of Development	As of August 31, 2015, a total of 3,751 lots on approximately 1,354 acres had been developed within the Castle Hills Project, with 177 lots under development on approximately 33 acres and 3,326 homes were completed and occupied and 169 homes under construction or permitted for construction. Also completed are 481 acres

of commercial development, including the approximate 212 acre 18-hole golf course and country club (The Lakes at Castle Hills) with swimming and tennis facilities. Approximately 173 acres are currently available for commercial development and approximately 181 acres are available for multifamily development.

THE DEVELOPER

General . . . . . The developer of land within the District has been Bright Realty, which is owned by certain members of the family of the late H.R. ("Bum") Bright and trusts for the benefit of such family members. Bright Realty is acquiring land in the District from a related company, BRECO Lands CH, LLC ("BRECO Lands"), as dictated by development needs. Bright Realty and BRECO Lands are collectively referred to herein as the "Developer." See "THE DEVELOPER."

RISK FACTORS

THE BONDS ARE SUBJECT TO SPECIAL RISK FACTORS AS SET FORTH IN THIS LIMITED OFFERING MEMORANDUM. PROSPECTIVE PURCHASERS SHOULD CAREFULLY EXAMINE THE ENTIRE LIMITED OFFERING MEMORANDUM BEFORE MAKING THEIR INVESTMENT DECISIONS, ESPECIALLY THE PORTION OF THE LIMITED OFFERING MEMORANDUM ENTITLED "RISK FACTORS."

*Preliminary; subject to change.

SELECTED FINANCIAL INFORMATION
CONCERNING THE DISTRICT*
(Unaudited)

2015 Assessed Valuation	$165,646,677	(a)
Gross Debt: The Bonds	$10,950,000	
The Outstanding Bonds	7,750,000	
Total	$18,700,000	
Estimated Overlapping Debt	$9,494,611	(b)
Direct and Estimated Overlapping Debt	$28,194,611	(b)
Ratio of Direct Debt to 2015 Assessed Valuation	11.29 %	
Ratio of Direct and Estimated Overlapping Debt to 2015 Assessed Valuation	17.02 %	
Utility Interest and Sinking Fund Balance	$0.53	(c)
Utility Debt Service Reserve Fund Balance	$305,762.91	(d)
2015 Tax Rate per $100 of Assessed Valuation	$ 1.00	(e)
Contract Tax $0.4566		
Maintenance Tax 0.5434		
Average Annual Debt Service Requirements of the Bonds and Outstanding Bonds (2016-2035)	$1,657,349	
Maximum Annual Debt Service Requirements of the Bonds and Outstanding Bonds (2025)	$1,684,625	
Tax Rate per $100 of Assessed Valuation within the District required to pay Average Annual and Maximum Annual Debt Service Requirements at 95% Tax Collections Based Upon 2015 Assessed Valuation	$1.08	

(a) Provided by the Denton County Appraisal District (the "Appraisal District"), this amount is the certified value of all taxable property located within the District as of January 1, 2015. This amount constitutes the District's 2015 tax roll. See "TAXING PROCEDURES" and "RISK FACTORS - Factors Affecting Taxable Values and Payments."

(b) See "DISTRICT DEBT - Estimated Direct and Overlapping Debt Statement of the District."

(c) As of October 15, 2015. Neither the Bond Ordinance, the Trust Agreements, nor Texas law requires that any particular amount be maintained in the Interest and Sinking Fund at any time.

(d) As of October 15, 2015. In addition, an amount equal to maximum annual debt service on the Bonds will be deposited in such Fund from proceeds of the Bonds. See "THE BONDS - Source of Payment - Debt Service Reserve Fund."

(e) The District has levied a tax of $0.4566 per $100 of assessed valuation during the year 2015 to pay its obligations under the Contracts. As indicated herein, a tax rate of $0.4566 is insufficient to pay either the Average Annual or the Maximum Annual Debt Service Requirements of the Bonds and the Outstanding Bonds based upon the 2015 Assessed Valuation. Therefore, in its resolution approving the Second Supplemental Trust Agreement authorizing the Bonds, the District has appropriated from available operation and maintenance funds of the District an amount necessary to result in Contract Payments being sufficient in 2016 to pay debt service

*Preliminary; subject to change.

on the Bonds and the Outstanding Bonds, but in no event less than $480,000. For 2016, the District will levy a tax sufficient to result in Contract Payment sufficient to pay debt service on the Bonds and the Outstanding Bonds and expects such tax to be at least $0.80 per $100 of assessed valuation. In order for a $0.80 tax rate to be sufficient to pay the Average Annual Debt Service Requirement and the Maximum Annual Debt Service requirement, assessed values in the District would have to increase to approximately $221,661,200 for 2016.

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SELECTED FINANCIAL INFORMATION
CONCERNING THE IMPROVEMENT DISTRICT

Special Assessment Roll

Description	No. Lots	Special Assessments/Lot	Total Assessments
Residential			
Lot Type A - SFR	155	$200	$31,000
Subtotal - Residential			$31,000

Description	No. Acres	Special Assessments/Acre	Total Assessments
Commercial:			
Lot Type B - Multifamily/Commercial	265.8109 acres	$1,250	$332,263
Subtotal - Commercial			$332,263
Total			$363,263

Assessments Paid
(As of November 1, 2015)

Description	No. Lots	Special Assessments/Lot	Total Assessments
Residential	63	$200	$126,000

Description	No. Acres	Special Assessments/Acre	Total Assessments
Commercial	0 acres	$1,250	$0

*Preliminary; subject to change.

LIMITED OFFERING MEMORANDUM

$10,950,000*
CITY OF LEWISVILLE, TEXAS
COMBINATION CONTRACT REVENUE AND
SPECIAL ASSESSMENT UTILITY SYSTEM BONDS, SERIES 2015
(LEWISVILLE CASTLE HILLS PUBLIC
IMPROVEMENT DISTRICT NO. 5 PROJECT)

INTRODUCTION

This Limited Offering Memorandum provides certain information with respect to the issuance by the City of Lewisville, Texas (the "Issuer"), of its Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2015 (Lewisville Castle Hills Public Improvement District No. 5 Project) (the "Bonds").

There follows in this Limited Offering Memorandum descriptions of the Bonds and certain information about the Issuer, Lewisville Castle Hills Public Improvement District No. 5 (the "Improvement District") and Denton County Fresh Water Supply District No. 1-G (the "District"). All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from Winstead PC, 500 Winstead Building, 2728 N. Harwood Street, Dallas, Texas 75201, upon request and payment of the costs of duplication therefor. Certain capitalized terms used in this Limited Offering Memorandum have the same meanings assigned to such terms in the Bond Ordinance (hereinafter defined) and the Trust Agreements (hereinafter defined), except as otherwise indicated herein.

THE BONDS

General

The following is a description of certain terms and conditions of the Bonds, which description is qualified in its entirety by reference to the ordinance of the City Council (the "Governing Body") of the Issuer authorizing the issuance of the Bonds (the "Bond Ordinance") and the Master Trust Agreement, dated as of May 1, 2014, as supplemented by a First Supplemental Trust Agreement, dated as of May 1, 2014, and a Second Supplemental Trust Agreement, dated as of December 1, 2015 (collectively, the "Utility Trust Agreement") between the Issuer and Wilmington Trust, National Association, in Dallas, Texas (the "Trustee") securing the Bonds. The Issuer has also entered into a Master Trust Agreement, dated as of May 1, 2014, as supplemented by a First Supplemental Trust Agreement, dated as of May 1, 2014 (the "Road Trust Agreement") with the Trustee, with respect to the Outstanding Road Bonds (hereinafter defined) (the Utility Trust Agreement and the Road Trust Agreement, collectively, the "Trust Agreements"). The Bond Ordinance and Utility Trust Agreement authorize the issuance and sale of the Bonds and prescribe the terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the Issuer.

The Bonds are dated December 1, 2015, and will mature on September 1, 2035. The Bonds will be issued as fully registered bonds in the denomination of $25,000 and integral multiples of $5,000 in excess thereof. Principal of the Bonds will be payable to the Registered Owners at maturity or earlier redemption upon presentation of Bonds at the principal corporate trust office of the Trustee as paying agent/registrar (the "Paying Agent/Registrar," "Paying Agent," or "Registrar"). The Bonds are subject to optional, mandatory sinking fund, and special mandatory redemption as described below under "Redemption Provisions."

*Preliminary; subject to change.

The Bonds constitute the third series of bonds issued by the Issuer pursuant to the Contracts (hereinafter defined) and the second series of bonds issued by the Issuer pursuant to the Utility Contract (hereinafter defined). Proceeds of the Bonds will be used to pay the costs of acquiring and constructing certain water, sewer, and drainage facilities within the Improvement District, to make an initial deposit into the Debt Service Reserve Funds for the Bonds, and pay the costs of issuance of the Bonds.

The Bonds will be issued in fully registered form and will be registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Individual purchases in authorized denominations will be made only through the book-entry system maintained by DTC through brokers and dealers who are, or act through, DTC participants. The purchasers of the Bonds will not receive certificates representing their interest in the Bonds. Ownership interest in the Bonds will be shown on, and transfer of the Bonds will be effected only through, records maintained by DTC and its participants. Payments of the principal of and interest on the Bonds are required to be made to owners by DTC through its participants. See "Book-Entry Only."

For so long as DTC is the securities depository for the Bonds, then "Owner" or "Registered Owner" shall refer solely to DTC. In the event that DTC is no longer the securities depository for the Bonds, the term "Owner" or "Registered Owner" shall refer to a successor securities depository or the Owners of the Bonds which are shown as Registered Owners on the registration books of the Paying Agent/Registrar.

Interest

Interest on the Bonds will accrue from the date of delivery to the Placement Agent (as defined herein) at 6.00% per annum. Interest on the Bonds is payable on March 1, 2016, and on each September 1 and March 1 thereafter until maturity or prior redemption.

Interest is calculated on the basis of a 360-day year comprised of twelve 30-day months. Interest on each Bond shall be payable by check payable on the interest payment date, mailed by the Paying Agent/Registrar on or before each interest payment date to the Registered Owner of record as of the Record Date to the address of such Registered Owner as shown on the bond registration books (the "Register") kept by the Paying Agent/Registrar, or by other such customary banking arrangements as may be acceptable to the Paying Agent/Registrar and the Registered Owner at the expense and risk of the Registered Owner.

If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which the Paying Agent/Registrar is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions in Dallas, Texas are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

Redemption Provisions

Optional Redemption

The Bonds maturing on and after September 1, 2019, are subject to redemption and payment prior to their scheduled maturities at the option of the Issuer, in whole or in part, on the dates and at the redemption prices (expressed as a percentage of the principal amount of the Bonds to be redeemed), plus accrued interest to the date of redemption, from funds transferred from the Collection Fund or from other available money provided by the Issuer as set forth below:

Redemption Dates	Redemption Prices
September 1, 2018 through August 31, 2019	103%
September 1, 2019 through August 31, 2020	102
September 1, 2020 and thereafter	100

If fewer than all of the Bonds are optionally redeemed at any time, the amounts of Bonds to be redeemed shall be designated by the Issuer and the particular Bonds within a maturity shall be selected by the Trustee by lot or other customary method of random selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

Mandatory Sinking Fund Redemption

The Bonds are subject to mandatory sinking fund redemption by the Issuer prior to their scheduled maturities, by lot or other customary method of random selection designated by the Trustee, on the dates and in the amounts set forth below at a redemption price equal to the principal amount redeemed plus accrued interest to the redemption date:

Redemption Dates (September 1)	Principal Amounts
2017	$ 300,000
2018	320,000
2019	340,000
2020	360,000
2021	380,000
2022	405,000
2023	430,000
2024	455,000
2025	485,000
2026	515,000
2027	540,000
2028	575,000
2029	610,000
2030	650,000
2031	685,000
2032	730,000
2033	770,000
2034	815,000
2035 (maturity)	1,585,000
	$10,950,000

The particular Bonds to be so redeemed shall be selected by the Trustee by lot or other customary method of random selection. However, if during any period in which ownership of the Bonds is determined only by a book-entry-only system at a securities depository, if fewer than all of the Bonds to be redeemed, the particular Bonds shall be selected in accordance with arrangements between the Issuer and the securities depository. The principal amounts shown above are subject to reduction, at the option and direction of the Issuer, by the amount of (i) any prior optional redemption of Bonds at a redemption price of par plus accrued interest to the date fixed for redemption or (ii) any Bonds acquired by the Issuer prior to maturity and delivered to the Trustee for cancellation and application.

Special Mandatory Redemption

Bonds not exceeding $110,000 in principal amount are subject to special mandatory redemption prior to maturity, on any date, at a price equal to the principal amount of the Bonds, or portions thereof, to be redeemed, plus accrued interest thereon, to the date fixed for redemption from Special Assessment Revenues resulting from Prepayments of Special Assessments, when such Prepayments have accumulated in the Special Assessments Prepayment Fund (credited pro rata among the Bonds, the Outstanding Bonds, and any Additional Bonds based upon respective amounts outstanding) in an amount sufficient to redeem $110,000 in principal amount in Bonds, plus accrued interest thereon, and such funds have been transferred to the applicable account of Redemption Fund. The particular Bonds to be so redeemed shall be selected by the Trustee by lot or other customary method of random selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

Notice of Redemption

Notice of any redemption shall be given at least thirty (30) days and no more than sixty (60) days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owners of the Bonds to be redeemed in whole or in part at the address shown on the Register.

Any notice mailed as provided in the Utility Trust Agreement shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the redemption date, due provision shall be made with the Trustee for the payment of the redemption price of the Bonds to be redeemed, plus accrued interest thereon to the redemption date. When such Bonds have been called for redemption, in whole or in part, as provided above, and due provision has been made to redeem same, such Bonds, or portions thereof, shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for redemption, and the right of the owners to collect interest on such Bonds or portions thereof which would otherwise accrue after the redemption date shall be terminated.

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

Partial Redemption

If a portion of a Bond is to be redeemed, such portion may be redeemed, but only in integral multiples of $5,000. Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a Bond or Bonds in an aggregate principal amount of the unredeemed portion of the Bond so surrendered.

Registration and Exchange

The Utility Trust Agreement provides that, so long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the Register at its principal corporate trust office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of the Trust Agreements.

Each Bond shall be transferable only upon the presentation and surrender thereof at the corporate trust office of the Paying Agent/Registrar in Dallas, Texas, duly endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar and, if applicable, compliance with the limitations set forth in "Limitations on Transfers" below. Upon due presentation of any Bond in proper form for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, within three (3) business days after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds are exchangeable upon presentation and surrender thereof at the corporate trust office of the Paying Agent/Registrar in Dallas, Texas, for a Bond or Bonds in any authorized denomination, in an aggregate amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. Neither the Issuer nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond during the fifteen (15) day period next preceding any interest payment date. The Issuer or the Paying Agent/Registrar may require the Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the Issuer.

See "Book-Entry Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

Limitations on Transfers

The Bonds are transferable only to Accredited Investors (within the meaning of Rule 501 of Regulation D under the Securities Act of 1933 (the "Securities Act")) and/or Qualified Institutional Buyers (within the meaning of Rule 144A under the Securities Act) upon delivery of an executed Transferee Letter in the form set forth in APPENDIX I hereto, provided, however, that:

(1) At any time on and after the date on which the Assessed Value within the Improvement District first equals or exceeds $265,000,000, the Bonds shall be transferable to Accredited Investors and/or Qualified Institutional Buyers without delivery of a Transferee Letter; and

(2) At any time on and after the date on which the Bonds or any other bonds issued by the Improvement District first receive an Investment Grade Rating, then the Bonds shall be transferable to any transferee without delivery of a Transferee Letter.

Book-Entry Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by The Depository Trust Company, New York, New York, ("DTC") while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official

Statement. The Issuer, the District, the Financial Advisor, and the Placement Agent believe the source of such information to be reliable, but none of the Issuer, the District, the Financial Advisor, nor the Placement Agent takes any responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing companies, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent/Registrar, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

Sources of Payment

The Bonds, when issued and delivered, are valid and legally binding special revenue obligations of the Issuer, with an amount not less than one percent (1%) of the original principal amount of the Bonds, together with interest thereon, being payable, together with the Outstanding Bonds, from and secured by a pledge of and lien on certain Special Assessment Revenues and with an amount equal to the balance of the original principal amount of the Bonds, together with interest thereon, but in no event to exceed, on a cumulative basis, ninety-nine percent (99%) of the original principal amount of the Bonds, together with interest thereon, being payable, together with the Outstanding Bonds, from certain Contract Revenues to be paid by the District pursuant to a 2008 Joint Utility Contract (the "Utility Contract"), dated as of May 19, 2014 (together with a 2008 Joint Road

Contract (the "Road Contract"), dated as of May 19, 2014, collectively, the "Contracts") among the Issuer, the District and District No. 1-A. See "APPENDIX D - SUMMARY OF THE CONTRACTS."

- Special Assessment Revenues -

Special Assessment Revenues are to be derived from Special Assessments levied by the Issuer against benefitted property within the Improvement District pursuant to an Assessment/Service Plan adopted by the Issuer pursuant to Section 372, Texas Local Government Code, including updates thereto approved by the Issuer. See "ASSESSMENT PROCEDURES." Such Special Assessments are payable pursuant to the assessment ordinance (the "Assessment Ordinance") adopted by the Issuer for the Improvement District. Special Assessment Revenues are to be collected in an amount sufficient to pay an amount not less than one percent (1%) of the original principal amount of the Bonds, together with interest thereon, when due.

- Contract Revenues -

Contract Revenues are payable from the levy by the District of ad valorem taxes, without legal limitation as to rate or amount on all taxable property within the District, to pay a portion of the principal and the interest on the Bonds and such additional bonds of the Issuer as may hereafter be issued pursuant to the terms of the Contracts as described below. The Utility Trust Agreement creates an Interest and Sinking Fund and create a Series 2015 Utility Bonds Interest and Sinking Fund Account therein, and the proceeds from all taxes levied, assessed and collected for and on account of the Contract Revenues shall be deposited in such Fund to pay debt service on the Outstanding Utility Bonds and the Bonds. While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, the District covenants to levy and annually assess and collect in due time, form and manner, and at the same time as other District taxes are assessed, levied and collected, in each year, an annual ad valorem tax, without legal limit as to rate or amount, upon all taxable property in the District, sufficient to pay an amount equal to the balance of the original principal amount of the Bonds, together with interest thereon, that is not paid from Special Assessment Revenues, but in no event to exceed, on a cumulative basis, ninety-nine percent (99%) of the original principal amount of the Bonds, together with interest thereon, when due.

The Contracts provide that the District shall, prior to setting its tax rate each year, calculate the total amount of the payments to be made by the Issuer pursuant to the Outstanding Bonds and the Bonds, after the application of any other available funds and any Special Assessment Revenues, and shall establish a tax rate on all taxable property within its boundaries which, if 95% of such taxes are collected in a timely fashion, would be sufficient to make the annual payment of Contract Revenues to the Issuer. See "APPENDIX D - SUMMARY OF THE CONTRACTS."

- Debt Service Reserve Fund -

The Utility Trust Agreement creates a Debt Service Reserve Fund and creates a Series 2015 Utility Bond Debt Service Reserve Fund Account. The Utility Trust Agreement requires such Debt Service Reserve Fund to be in an amount (the "Debt Service Reserve Amount"), equal to the lesser of (i) ten percent (10%) of the principal amount of the applicable series of the Outstanding Utility Bonds and the Bonds, (ii) the maximum annual debt service on the applicable series of Outstanding Utility Bonds and the Bonds, and (iii) 125% of the average annual debt service requirements on the applicable series of Outstanding Utility Bonds and the Bonds. Out of proceeds of the Bonds, an amount equal to maximum annual debt service on the Bonds will be deposited into the Series 2015 Utility Bond Debt Service Reserve Fund Account.

The Debt Service Reserve Fund is to be used solely (i) to pay principal of and interest on the Outstanding Utility Bonds and the Bonds in the event and to the extent that funds on deposit in the Utility Bonds Interest and Sinking Fund is insufficient for such purpose and (ii) to the extent of funds available therein, applied to the

payment of the Bonds on the maturity date or earlier redemption in whole. The District is required to replenish any deficiencies in the Debt Service Reserve Fund resulting from a withdrawal therefrom in twelve consecutive equal monthly installments. Any deficiency in the Debt Service Reserve Fund resulting from a determination that the value of the Authorized Investments credited to the Debt Service Reserve Fund is less than the Debt Service Reserve Amount, must also be replenished in twelve consecutive equal monthly installments.

Defeasance

The Issuer may defease the provisions of the Bond Ordinance and the Utility Trust Agreement and discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal and interest thereon in the manner provided by Section 1207.062, Texas Government Code, as amended. Under Section 1207.062, such discharge may be accomplished either (i) by depositing with the Comptroller of Public Accounts of the State of Texas a sum of money equal to the principal of, premium, if any, and all interest to accrue on the Bonds to maturity or redemption or (ii) by depositing with any place of payment (paying agent) for obligations of the Issuer payable from the Contracts, or with a commercial bank or trust company designated in the proceedings authorizing such discharge, amounts sufficient to provide for the payment and/or redemption of the Bonds; provided that such deposits may be invested and reinvested only in (a) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. The foregoing obligations may be in book entry form, and shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds. If any of such Bonds are to be redeemed prior to their respective dates of maturity, provision must have been made for giving notice of redemption as provided in the Bond Ordinance and Utility Trust Agreement.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid and thereafter the Issuer will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such defeased bonds, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the defeasance securites. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the Issuer to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the Issuer: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because neither the Bond Ordinance nor the Utility Trust Agreement contractually limits such investments, owners of the Bonds may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under Texas law.

Annexation

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the Issuer, the District may be annexed by the Issuer without the District's consent, subject to compliance by the Issuer with various requirements of Chapter 43 of the Texas Local Government Code, as amended. If the District is annexed, the Issuer must assume the District's assets and obligations (including the Contracts) and abolish the District within 90 days of the date of annexation except as provided under "Strategic Partnership Agreement" below. Annexation of territory by the Issuer is a policy-making matter within the discretion of the Mayor and City Council of the Issuer, and therefore, the District and the Issuer make no representation that the Issuer will ever annex the District and assume its debt. Moreover, no representation is made concerning the ability of the Issuer to make Contract Payments to pay debt service on the Bonds should annexation occur. Under the terms of the SPA (as herein defined) between the District and the Issuer, however, the Issuer has agreed not to annex the District for full purposes (a traditional municipal annexation) for at least ten (10) years from the date of execution of the SPA. See "Strategic Partnership Agreement" below.

Strategic Partnership Agreement

In June, 2009, the District, together with District No. 1-A, District No. 1-B, District No. 1-C, District No. 1-D, District No. 1-E, District No. 1-F, and District No. 1-H, entered into a Strategic Partnership Agreement with the City as authorized by Texas Local Government Code, Chapter 43 (the "SPA"). The SPA provides for a "limited purpose annexation" of that portion of the District developed for retail and commercial purposes for purposes of applying the City sales tax. The portion of the District consisting of residential development is not subject to the SPA. The SPA also provides that the City will not annex the District for "full purposes" (a traditional municipal annexation) for the ten (10)-year term of the SPA.

As a result of the SPA, the City is authorized to impose a one percent (1%) retail City sales tax within the portion of the District included in the limited purpose annexation. Pursuant to the SPA, the City pays to the District through District No. 1-A, an amount, if any, over and above an amount retained by the City for its cost to provide public safety services to the District, equal to one-half of all retail sales tax revenues within such area of the District and received by the City from the Texas Comptroller of Public Accounts (herein defined as the "Sales Tax Revenue"). The SPA requires that amounts received by the District under the SPA be used first to reimburse any developer for any outstanding maintenance and operating advances. Thereafter, the District is authorized to use the Sales Tax Revenue generated pursuant to the SPA for any lawful purpose.

None of the Sales Tax Revenue is pledged toward the payment of principal and interest on the Bonds and none is expected to be used for such purpose.

Consolidation

The District has the legal authority to consolidate with any other districts and, in connection therewith, to provide for the consolidation of its assets (such as cash and the utility system) and liabilities (such as its obligations under the Contracts), with the assets and liabilities of districts with which it is consolidating. Although no consolidation is presently contemplated by the District, no representation is made concerning the likelihood of consolidation in the future.

Authorization of the Bonds

The Bonds are issued pursuant to the authority of the Bond Ordinance, the Utility Trust Agreement, and Chapter 372 of the Texas Local Government Code, as amended. The Utility Contract has been entered into in accordance with Chapters 49, 51, and, for limited purposes, 53, Texas Water Code, as amended. The Utility

Contract was were approved at an election held within the District on November 4, 2008, by a vote of _ "For" to _ "Against". See "THE BONDS - Legal Ability of the Issuer to Issue Additional Debt" and "Legal Ability of the District to Issue Additional Debt."

Legal Ability of the Issuer to Issue Additional Debt

The Issuer has the right in the Bond Ordinance and the Trust Agreements to issue additional bonds ("Additional Bonds"), in addition to the Outstanding Bonds and the Bonds, pursuant to the Contracts, in the maximum aggregate amount of $36,000,000 (not including refunding bonds), consisting of $25,600,000 for utility purposes and $10,400,000 for road purposes pursuant to the Contracts. After issuance of the Bonds, the Issuer will have the right to issue Additional Bonds in the amount of $11,295,000 for utility purposes ("Additional Utility Bonds") and $5,905,000 for road purposes ("Additional Road Bonds"). Additional Bonds may be issued only to the extent that Special Assessments (including unpaid Special Assessments and Prepayments of Special Assessments then on deposit in the Debt Service Reserve Funds) are pledged to the payment of such Additional Bonds and the total of (i) Special Assessment Revenues pledged to the payment of such Additional Bonds and (ii) Special Assessment Revenues theretofore deposited into the Debt Service Reserve Funds of the Trust Agreements are at least equal to 1% of the original principal of such Additional Bonds, together with interest thereon. Further, the Issuer will not issue any Additional Bonds pursuant to the Contracts unless the Assessed Value within the District is at least 3.5 times the sum of the then Outstanding Bonds, any Outstanding Additional Bonds, and the proposed Additional Bonds. The term "Assessed Value" shall be defined as follows: as determined by the Denton Central Appraisal District, the greater of (i) the total assessed valuation certified by the Appraisal District or (ii) the most recent preliminary total assessed valuation certified by the Appraisal District. Additional Bonds may also be issued in such amounts as are necessary for the refunding of any outstanding obligations issued pursuant to the Contracts. Such Additional Bonds may be issued with the approval of the governing body of the Issuer, but without the necessity of authorization by the voters within the Issuer or further authorization by voters within the District.

The Issuer also has the right to issue such bonds, notes or other obligations as are authorized to be issued by municipal corporations by and subject to the requirements of, the provisions of the constitution and laws of the State of Texas applicable to municipal corporations. Any such obligations issued by the Issuer other than pursuant to the Contracts will be payable from sources other than the Contract Revenues.

Legal Ability of the District to Issue Additional Debt

In addition to the Bonds and any Additional Bonds issued pursuant to the Contracts, the District has the right to issue such unlimited tax bonds as may be hereafter approved by the voters of the District. The District also has the right to issue revenue bonds, revenue notes, bond anticipation notes and tax anticipation notes without voter approval. In addition, the District has the right to enter into other contracts similar to the Contracts and to pledge its taxing power to secure any payments the District is required to make under such a contract, provided the provisions of the contract are approved by the voters of the District. The District further has the right, without further voter approval, to issue bonds to refund outstanding bonds of the District.

The District is also authorized by law to engage in fire-fighting activities and is authorized to issue bonds payable from District ad valorem taxes for such purpose. Before the District may issue bonds for fire-fighting activities payable from District ad valorem taxes, the following actions would be required: (1) authorization of a detailed master plan and bonds for such purpose by the qualified voters in the District; (2) approval of the master plan and bonds by the Texas Commission on Environmental Quality (the "TCEQ"); and (3) approval of bonds by the Attorney General of Texas. The Board of Directors of the District has not considered calling an election at this time for such purposes.

Notwithstanding the foregoing, the District has agreed in its resolution approving the issuance of the Bonds that it will not issue any bonds payable from ad valorem taxes unless the Assessed Value within the District is at least 3.5 times the sum of the then outstanding bonds, and the proposed Additional Bonds. The term "Assessed Value" shall be defined as follows: as determined by the Denton Central Appraisal District, the greater of (I) the total assessed valuation certified by the Appraisal District or (ii) the most recent preliminary total assessed valuation certified by the Appraisal District.

If additional debt obligations are issued in the future by the District, such issuance may increase gross debt/property valuation ratios and might adversely affect the investment security of the Bonds. See "RISK FACTORS - Future Debt."

Events of Default

The Utility Trust Agreement defines each of the following to be an "Event of Default":

(a) if default occurs in the timely payment of a Principal Installment (whether mandatory prepayment amount or the principal amount due at maturity) of any of the Bonds; or

(b) if default occurs in the timely payment of any installment of interest or premium, if any, on any of the Bonds of a series; or

(c) the Bankruptcy or Insolvency of the Issuer; or

(d) if the Issuer shall default in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the respective series of Bonds or in the Bond Ordinance or the Utility Trust Agreement, other than as specified in (a), (b), or (c) above, on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of not less than ten percent (10%) in principal amount of Bonds then outstanding; or

(e) if the Issuer or the District shall default in the due and prompt performance of any of the covenants, conditions, agreements and provisions contained in the Utility Contract on the part of the Issuer or the District, as the case may be, to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given by the Trustee, which notice the Trustee may give in its discretion.

Remedies in Event of Default

Upon the happening and continuance of any Event of Default, the Trustee may proceed, and upon the written request of the Registered Owners of not less than fifty-one percent (51%) in principal amount of the Bonds, the Outstanding Utility Bonds, and any Additional Utility Bonds then Outstanding shall proceed to protect and enforce its rights and the rights of the Owners of the Bonds under the Act and under the Utility Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained in the Utility Trust Agreement or in aid or execution of any power granted in the Utility Trust Agreement or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Utility Trust Agreement, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time

remaining, due from the Issuer for Principal Installments, interest or otherwise under any of the provisions of the Utility Trust Agreement or of the Bonds and unpaid, with interest on overdue payments at the rate or rates of interest specified in the Bonds, together with any and all costs and expenses of collection and of all proceedings therewith and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Owners of the Bonds, and to recover and enforce judgment or decree against the Issuer, but solely as provided in the Utility Trust Agreement and in the Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from Contract Payments and Special Assessment Revenues or other moneys available for such purposes) specifically permitted by the Utility Trust Agreement) in any manner provided by law, the moneys adjudged or decreed to be payable from said sources.

The Registered Owners of not less than a majority in principal amount of the Bonds, the Outstanding Utility Bonds, and any Additional Utility Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial actions to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of the Utility Trust Agreement and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Registered Owners of the Bonds not parties to such direction.

No Registered Owners of any of the Bonds then Outstanding shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law for the execution of any trust hereunder or the protection or enforcement of any right under the Utility Trust Agreement or the Bond Ordinance, or any right under the act or the laws of Texas, excepting only an action for the recovery of overdue and unpaid principal installments, interest or redemption premium, unless such Registered Owner previously shall have given to the Trustee written notice of the event of default or breach of trust or duty on account of which such suit or action is to be taken, and unless the Registered Owners of not less than twenty percent (20%) in principal amount of the Bonds, the Outstanding Utility Bonds, and any Additional Utility Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted by the laws of Texas, or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time.

Notwithstanding the foregoing, if an Event of Default shall have occurred and be continuing, the Bondholder Representative, it its sole discretion as evidenced by written notice delivered to the Trustee, may (but shall not be required to), (i) in lieu of the Trustee, exercise such one or more of the rights and powers conferred on the Trustee; and (ii) such rights and powers granted to Issuer under the Utility Trust Agreement, and such rights of the Owners under the Utility Trust Agreement, either by a suit or suits in equity or in law for the enforcement of any appropriate equitable or legal remedy the Bondholder Representative shall deem most expedient in the interest of the Owners.

Any delay or omission to exercise any right or power occurring upon any default shall not impair any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

There is no acceleration of maturity of the Bonds in the event of default. Consequently, the remedy of specific performance is a remedy which may have to be relied upon from year to year by the Registered Owners. Based on recent Texas court decisions, it is unclear whether certain legislation effectively waives governmental immunity of governmental entities for suits for money damages. Even if the Registered Owners could obtain a judgment against the Issuer, such judgment could not be enforced by levy and execution against the Issuer's property or the District's property or the property subject to assessment. Further, the Registered Owners cannot

themselves foreclose on property within the District or sell property within the District or the Improvement District, as the case may be, in order to pay the principal of and interest on the Bonds. Certain traditional legal remedies also may not be available.

The enforceability of the rights and remedies of the Registered Owners may be further limited by federal bankruptcy laws related to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the Issuer and the District. Specifically, the Issuer or the District may voluntarily file a petition for protection from creditors under the federal bankruptcy laws. During the pendency of the bankruptcy proceedings the remedy for mandamus would not be available to the Registered Owners unless authorized by a federal bankruptcy judge. Additionally, the right of the District to seek judicial foreclosure of any tax lien or special assessment lien upon property within such District may be stayed. See "RISK FACTORS - Bankruptcy Limitation to Registered Owners' Rights."

Legal Investment and Eligibility to Secure Public Funds in Texas

Chapter 372, Texas Local Government Code, as amended, pursuant to which the Bonds are issued, provides as follows:

(a) Bonds issued under this subchapter are legal and authorized investments for:

(1) banks, trust companies, and savings and loan associations;

(2) all insurance companies;

(3) fiduciaries, trustees, and guardians; and

(4) interest funds, sinking funds, and other public funds of the state or of an agency, subdivision, or instrumentality of the state, including a county, municipality, school district, or other district, public agency or body politic.

(b) Bonds issued under this subchapter may be security for deposits of public funds of the state or of an agency, subdivision, or instrumentality of the state, including a county, municipality, school district, or other district, public agency or body politic, to the extent of the market value of the Bonds, if accompanied by any appurtenant unmatured interest coupons.

The Issuer makes no representation that the Bonds will be acceptable to banks, savings and loan associations or public entities for investment purposes or to secure deposits of public funds. The Issuer has made no investigation of other laws, regulations or investment criteria which might apply to or otherwise limit the availability of the Bonds for investment or collateral purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Bonds as to the acceptability of the Bonds for investment or collateral purposes.

USE OF PROCEEDS

Sources and Uses of Funds

The proceeds from the sale of the Bonds will be applied as follows:

Sources of Funds

Principal Amount of Bonds	$
Total Sources of Funds	$

Uses of Funds

Utility Improvement Fund	$
Utility Debt Service Reserve Fund	
Placement Agent's Fee	
Issuance Costs	
Total Uses of Funds	$

Use of Bond Proceeds for Construction Purposes

A portion of the proceeds of the Bonds ($_____) will be deposited to the Issuer's Utility Improvement Fund to be used to pay the costs of acquiring and constructing certain water, sewer, and drainage facilities.

In the instance that the above estimated amounts exceed actual costs, the difference comprises a surplus which may be expended for other authorized purposes. In the instance that actual costs exceed previously estimated amounts, the issuance of Additional Bonds may be required. The District's Engineer has advised the Issuer that the proceeds of the sale of the Bonds should be sufficient to pay the costs of the above-described facilities. However, the Issuer cannot and does not guarantee the sufficiency of such funds for such purposes.

RISK FACTORS

General

The Bonds, which are special revenue obligations of the Issuer and not of the State of Texas or Denton County, will be secured by Contract Revenues to be paid by the District to the Issuer pursuant to the Contracts, and by Special Assessment Revenues. Contract Revenues are payable from an annual ad valorem tax, without legal limitation as to rate or amount, levied by the District on all taxable property within the District. Special Assessment Revenues are payable from Special Assessments levied by the Improvement District against benefitted property within the Issuer. AN AMOUNT ON A CUMULATIVE BASIS NOT LESS THAN ONE PERCENT (1%) OF THE ORIGINAL PRINCIPAL AMOUNT OF THE BONDS, TOGETHER WITH INTEREST THEREON, IS PAYABLE FROM SPECIAL ASSESSMENTS AND AN AMOUNT EQUAL TO THE BALANCE OF THE ORIGINAL PRINCIPAL AMOUNT OF THE BONDS, TOGETHER WITH INTEREST THEREON, BUT IN NO EVENT TO EXCEED, ON A CUMULATIVE BASIS, NINETY-NINE PERCENT (99%) OF THE ORIGINAL PRINCIPAL AMOUNT OF THE BONDS, TOGETHER WITH INTEREST THEREON, IS PAYABLE FROM CONTRACT REVENUES. The ultimate security for payment of the principal of and interest on the Bonds depends upon (i) the ability of the District to pay Contract Revenues from the collection from the property owners within the District of taxes levied against all taxable property located within the District, or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities, and (ii) the ability of the Issuer to collect Special Assessment Revenues within the Improvement District or, in the event Special Assessments are not collected and foreclosure proceedings are

instituted on behalf of the Issuer, upon the value of the property which is subject to such Special Assessments. Neither the Issuer nor the District makes any representations that over the life of the Bonds the property within the District will maintain values sufficient to justify continued payment of taxes or Special Assessments by the property owners. The potential increase in taxable valuation of property within the District is directly related to the economics of the residential housing and commercial products industry, not only due to general economic conditions, but also due to the particular factors discussed below.

Factors Affecting Taxable Values and Tax Payments

Economic Factors: The rate of development of the District is directly related to the vitality of the residential housing industry and the demand for commercial projects. Such development and construction can be significantly affected by factors such as interest rates, construction costs, availability of liquidity and credit in the financial markets, and consumer demand. Decreased levels of home construction activity would restrict the growth of property values in the District. Because a significant number of the homes being constructed and planned for construction within the District are considered to be in such higher end market, A slowdown or worsening of the market for such higher end homes could adversely effect the growth of taxable values within the District. Neither the Issuer nor the District can predict the pace or magnitude of any future development or home construction in the District.

Development of land within the District is contingent upon construction or acquisition of major public improvements such as arterial streets, water distribution facilities, sewage collection and transmission facilities and street lighting, as well as local in-tract improvements that may include substantial site grading. While these improvements in the District are expected to be constructed with proceeds of the Outstanding Bonds and the Bonds, there can be no assurance that any or all of these improvements will be constructed. See "DEVELOPMENT OF THE DISTRICT AND FUTURE DEVELOPMENT" herein. The cost of these public and private in-tract and off-site improvements could increase the public and private debt for which the land within the District provides security. This increased debt could reduce the ability or desire of the property owners to pay taxes or the Special Assessments levied against their property.

The development of land within the District is subject to a number of contingencies which could slow or prevent future development of the undeveloped land. Consequently, no assurance can be given that such development will be partially or fully completed, and in assessing the investment quality of the Bonds, prospective purchasers should evaluate such risks. In addition to potentially reducing the ability and willingness of the landowners to pay taxes and Special Assessments, a slowdown of the economic development process in the region could adversely affect land values and reduce the proceeds received at a foreclosure sale in the event taxes or Special Assessments are not paid when due.

Developer and Major Landowner's Obligation to the Issuer: As of January 1, 2015, the top five principal taxpayers comprised approximately 87.80% of the District's tax roll. The ability of any significant taxpayer to make full and timely payments of taxes levied against its property by the District and similar taxing authorities will directly affect the District's ability to meet its obligations to make payment of Contract Revenues to the Issuer. If, for any reason, any one or more significant taxpayers do not pay taxes due or do not pay in a timely manner, the District may need to levy additional taxes or use other funds available to make payment of Contract Revenues to the Issuer. Failure to recover or borrow funds in a timely fashion could result in an excessive District tax rate, hindering growth and leading to further defaults in the payment of taxes. Therefore, failure by one or more significant taxpayers to pay their taxes on a timely basis in amounts in excess of the District's available funds could have a material adverse effect upon the District's ability to make payment of Contract Revenues to the Issuer on a current basis.

Parties related to the Developer comprised approximately 21.7% of the 2015 tax roll of the District. See "THE DEVELOPER" and "APPENDIX G - FINANCIAL INFORMATION CONCERNING THE DEVELOPER" for information concerning the financial ability of the Developer to make payments of taxes and Special

Assessments on its property. The ability of Bright Realty to make full and timely payments of taxes levied against their properties by the District will directly affect the District's ability to meet its obligations to make payments under the Contracts. Only owners of property located in the District are legally responsible for payment of ad valorem taxes to the District and other taxing authorities and for payment of Special Assessments to the Issuer. Failure of the Developer or related parties or any other major landowner to make timely payment of their taxes could result in defaults under the Trust Agreements and ultimately could adversely affect the investment security of the Bonds.

There is no commitment by or legal requirement of the Developer or any other landowner to the District to proceed at any particular rate or according to any specified plan with the development of land or the construction of homes in the District, and there is no restriction on any landowners' right to sell its land. Therefore, neither the Issuer nor the District can make any representation about the probability of future development, if any, or the rate of home construction activity in the District. Moreover, although the Developer has been involved with some mixed-use developments, it has had no previous experience in the development of primarily single-family developments other than the Castle Hills Project.

Maximum Impact on District Tax Rates: Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of District property owners to pay their taxes. The District's 2015 Assessed Valuation is $165,646,677. The average annual debt service requirement on the Bonds is $1,657,349* and the maximum annual debt service requirement on the Bonds is $1,684,625*. Assuming no increase to nor decrease from the 2015 Assessed Valuation, and no use of funds on hand to augment tax receipts, a tax rate of $1.08 per $100 of 2015 Assessed Valuation at 95% collection rates would be necessary to pay both the average annual debt service requirements and maximum annual debt service requirements.

The District has levied a total tax in 2015 of $1.00 per $100 of Assessed Valuation consisting of $0.4566 per $100 of Assessed Valuation for purposes of making payments under the Contracts and $0.20 per $100 of Assessed Valuation for operation and maintenance purposes. If assessed values within the District do not increase beyond the 2015 Assessed Valuation of $165,646,677, a tax rate of $0.4566 will be insufficient to pay debt service on the Bonds based upon the 2015 Assessed Valuation. Therefore, in its resolution approving the Second Supplemental Trust Agreement authorizing the Bonds, the District has appropriated from available operation and maintenance funds of the District an amount necessary to result in Contract Payments being sufficient in 2016 to pay debt service on the Bonds and the Outstanding Bonds, but in no event less than $480,000. For 2016, the District will levy a tax sufficient to result in Contract Payment sufficient to pay debt service on the Bonds and the Outstanding Bonds and expects such tax to be at least $0.80 per $100 of assessed valuation. In order for a tax rate of $0.80 to be sufficient to pay both the average annual and maximum annual debt service requirements on the Bonds, the assessed valuation in the District must increase to approximately $221,661,200. With the continued development of property and construction of homes on the lots developed by the Developer, the District anticipates that increases in the taxable values will enable the District to make payments of Contract Revenues sufficient to meet debt service requirements on the Bonds without increasing the tax rate for Contract purposes above a rate of $0.80. However, the District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the aforementioned tax rate or to justify continued payment of taxes or Special Assessments by property owners.

Increases in the District's tax rate to higher levels than the $100 per $100 of Assessed Valuation rate for 2015 may have an adverse impact upon future development of the District, the sale and construction of homes within the District and the ability of the District to collect, and the willingness of owners of property located within the District to pay, ad valorem taxes levied by the District. In addition, the collection by the District of delinquent taxes owed to it and the enforcement by a Registered Owner of the District's obligations to collect

*Preliminary; subject to change.

sufficient taxes may be a costly and lengthy process.

The combination of the District's 2015 total levy of $1.00 per $100 of Assessed Valuation, plus the aggregate of the 2015 tax levies of all other units of government which levy taxes against the property located within the District, would be $2.73873 per $100 of Assessed Valuation. See "TAX DATA - Estimated Overlapping Taxes."

Tax Collection Limitations

The District's ability to make payments of Contract Revenues may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time-consuming and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedures against a taxpayer, (c) market conditions affecting the marketability of taxable property within the District and limitation of the proceeds from a foreclosure sale of such property, (d) adverse effects on the proceeds of a foreclosure sale resulting from a taxpayer's limited right to redeem its foreclosed property as set forth below, or (e) insufficient foreclosure bids to satisfy the tax liens of all state and local taxing authorities which have parity liens on the property. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. Moreover, the value of the property to be sold for delinquent taxes and thereby the potential sales proceeds available to pay debt service on the Bonds, may be limited by among other factors, the existence of other tax liens on the property, by the current aggregate tax rate being levied against the property, or by the taxpayers' right to redeem residential or agricultural use property within two (2) years of foreclosure and all other property within six (6) months of foreclosure. See "TAX PROCEDURES."

Special Assessment Limitations

Special Assessments are due and payable in the same manner as, and bear the same penalties and interest for non-payment, as do regular property tax installments. Additionally, Special Assessments are payable in annual installments established by the Assessment Ordinance to correspond in number and proportionate amount to the number of installments and principal amounts of the Bonds and any Additional Bonds maturing in each year. See "ASSESSMENT PROCEDURES - Priority of Lien" herein. It should be noted that the unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular assessment installment payments in the future.

Although Special Assessments are secured by a lien on the parcels within the Improvement District and the Issuer has covenanted to institute foreclosure proceedings to sell parcels with delinquent assessment installments for amounts sufficient to cover such delinquent installments in order to obtain funds to pay debt service on the Bonds, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid delay in payments of debt service on the Bonds. In addition the pledge of Special Assessments to the Bonds is not sufficient to pay the full amount of debt service due on the Bonds. Upon an ad valorem tax lien foreclosure event of a property within the District, an installment of Special Assessments that is also delinquent will be foreclosed in the same manner as the ad valorem tax lien (assuming all conditions and procedures for foreclosure are duly satisfied). The foreclosure of accrued installments of Special Assessments does not eliminate the outstanding principal balance of the Special Assessment and any purchaser of the property in foreclosure takes the property subject to the Special Assessment lien and any associated obligations.

Failure by owners of the parcels to pay installments of Special Assessments when due, delay in foreclosure proceedings, or the inability of the Issuer to sell parcels which have been subject to foreclosure for amounts sufficient to cover the delinquent installments of Special Assessments levied against such parcels may result

in the inability of the Issuer to make full or punctual payments of debt service on the Bonds.

Construction Risks and Facilities Costs

Although the District's Engineer estimates that proceeds of the Bonds will be sufficient to pay the costs of acquiring and constructing certain water, sewer, drainage facilities, and streets and roads, there can be no assurance that such proceeds will be sufficient to acquire and construct such facilities. The Developer is under no obligation and has made no commitment to the District to complete any of such facilities should proceeds of the Bonds be insufficient for such purpose. Failure to complete all of such facilities could result in an inability to construct taxable improvements within the District and could adversely impact the security for the Bonds.

Hazardous Substance

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or "Superfund Act," is the most well known and widely applicable of these laws. It is likely that, should any of the parcels of land located in the District be affected by a hazardous substance, the marketability and value of parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within the District does not take into account the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. The Issuer has not independently verified, and is not aware, whether the owner (or operator) of any of the parcels within the District has such a current liability with respect to such parcel, however, it is possible that such liabilities do currently exist and that the Issuer is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within the District resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a parcel that is realizable upon a delinquency.

Regulation

Development within the District may be subject to future federal, state and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of development in the District, the nature and extent of public improvements, land use, zoning and other matters. Failure to meet any such regulations or obtain any such approvals in a timely manner could delay or adversely affect development in the District and property values.

Registered Owners' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds, the Trustee may proceed, and upon the written request of the Registered Owners of not less than fifty-one percent (51%) in principal amount of the Outstanding Utility Bonds, Bonds, and Additional Utility Bonds then Outstanding shall proceed to

protect and enforce its rights and the rights of the Owners of the Bonds under the Bond Ordinance and the Utility Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of specific performance has to be relied upon from year to year. Based on recent Texas court decisions, it is unclear whether certain legislation effectively waives governmental immunity of governmental entities for suits for money damages. Even if the Registered Owners could obtain a judgment against the Issuer, such a judgment could not be enforced by a direct levy and execution against the Issuer's or the District's property. Further, the Registered Owners cannot themselves foreclose on property within the Issuer or sell property within the Issuer in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners further may be limited laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the Issuer. In this regard, should the Issuer or the District file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the Issuer to seek judicial foreclosure of its tax lien would be automatically stayed and could not be pursued unless authorized a federal bankruptcy judge. See "RISK FACTORS - Bankruptcy Limitation to Registered Owners' Rights."

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of the Registered Owners may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the Issuer and the District. Subject to the requirements of Texas law, the Issuer or the District may voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946, if the Issuer or the District (1) is generally authorized to file for federal bankruptcy protection by Texas law, (2) is insolvent or unable to meet its debts as they mature, (3) desires to effect a plan to adjust such debts, and (4) has either obtained the agreement of or negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiation is impracticable. Under Texas law, a water control and improvement district, such as the District, must also obtain the approval of the TCEQ prior to filing for bankruptcy. Such legislation requires that the TCEQ investigate the financial condition of such district and authorize the district to proceed only if the district has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

If the Issuer or the District, as the case may be, decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the Issuer or the District, as the case may be, would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the Issuer or the District, as the case may be, is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, and (5) the plan is in the best interests of creditors and is feasible. The rights and remedies of the Registered Owners would be adjusted in accordance with the confirmed plan of adjustment of the Issuer's or the District's, as the case may be, debt.

Neither the Issuer nor the District may be placed into bankruptcy involuntarily.

The Effect of the Financial Institutions Act of 1989 on Tax Collections of the District

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA"), contains certain provisions which affect the time for protesting property valuations, the fixing of tax liens and the collection of penalties and interest on delinquent taxes on real property owned by the Federal Deposit Insurance Corporation ("FDIC") when the FDIC is acting as the conservator or receiver of an insolvent financial institution.

Under FIRREA (i) real property held by the FDIC shall be subject to foreclosure or sale without the consent of the FDIC and no involuntary liens shall attach to such property, (ii) the FDIC shall not be liable for any penalties, interest, or fines, including those arising from the failure to pay any real or personal property tax when due and (iii) notwithstanding failure of a person to challenge an appraisal in accordance with state law, such value shall be determined as of the period for which such tax is imposed.

There has been no definitive determination of the validity of these provisions of FIRREA or how they are to be construed and reconciled with respect to conflicting state laws. It is also not known whether the FDIC will attempt to claim the FIRREA exemptions as to the time for contesting valuations and tax assessments made prior to and after the enactment of FIRREA. Accordingly, to the extent of FIRREA provisions are valid and applicable to any property in the District or the Improvement District, and to the extent that the FDIC attempts to enforce the same, these provisions may affect the timeliness of collection of taxes on property, if any, owned by the FDIC in the District or the Improvement District, and may prevent the collection of penalties and interest on such taxes.

Future Debt

The Issuer has the right to issue bonds pursuant to the terms of the Contracts, up to an aggregate maximum outstanding amount of $36,000,000 (not including refunding bonds) as specified in the Contracts, for the purposes set forth in the Contracts, including the refunding of any outstanding obligations issued pursuant to the Contracts. In addition, the District may issue such tax bonds as may hereafter be approved by voters within such District. After issuance of the Bonds, except for refunding bonds, $17,300,000 in Additional Bonds, consisting of $11,395,000 of Additional Utility Bonds and $5,905,000 of Additional Road Bonds will remain authorized but unissued pursuant to the Contracts. See "THE BONDS - Legal Ability of the Issuer to Issue Additional Debt" and "- Legal Ability of the District to Issue Additional Debt."

If Additional Bonds are issued by the Issuer pursuant to the Contracts or additional debt is issued by the District secured by taxes in the future and property values have not increased proportionately, such issuance may increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

Competitive Nature of Dallas-Fort Worth Residential Housing Market

The housing industry in the Dallas-Fort Worth area is very competitive, and neither the Issuer nor the District can give any assurance that the current building programs will continue, and, if so, at what pace. The competitive position of the Developer in the sale of developed lots or of any other home builder in the construction and sale of single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to tax revenues received by the District and the growth and maintenance of taxable values in the District. In the Dallas/Fort Worth area in the general vicinity of the District, there is currently one directly comparable master planned community in operation, and three developments in the construction or early sales phase whose focus is on residential properties. The closest comparable planned development is Lone Star Ranch in Frisco, Texas, approximately three miles north of the Castle Hills Project, consisting of approximately 6,000 acres. The next closest master planned community is an approximate 2,000 acre development called Twin Creeks in Allen, Texas, approximately five miles north of the Castle Hills Project. Other master planned communities include Stonebridge, an approximate 7,000 acre planned community project in McKinney, Texas and Lantana, an approximate 1,600 acre development north of Flower Mound.

Continuing Compliance with Certain Covenants

The Bond Ordinance and the Utility Trust Agreement contain covenants by the Issuer intended to preserve the exclusion from gross income of interest on the Bonds. Failure by the Issuer to comply with such covenants on

a continuous basis prior to maturity of the Bonds could result in interest on the Bonds become taxable retroactively to the date of original issuance. See "TAX EXEMPTION."

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

DISTRICT DEBT*

General

The following tables and calculations relate to the Bonds. The District is empowered to incur debt to be paid from revenues raised by taxation against all taxable property located within the District, and various other political subdivision of government which overlap all or a portion of the District are empowered to incur debt to be paid from revenues raised or to be raised by taxation against all or a portion of the property within the District.

Bonded Indebtedness

2015 Assessed Valuation	$165,646,677	(a)
Gross Debt: The Bonds	$10,950,000	
The Outstanding Bonds	7,750,000	
Total	$18,700,000	
Estimated Overlapping Debt	$9,494,611	(b)
Direct and Estimated Overlapping Debt	$28,194,611	(b)
Ratio of Direct Debt to 2015 Assessed Valuation	11.29	%
Ratio of Direct and Estimated Overlapping Debt to 2015 Assessed Valuation	17.02	%
Utility Interest and Sinking Fund Balance	$0.53	(c)
Utility Debt Service Reserve Fund Balance	$305,762.91	(d)
2015 Tax Rate per $100 of Assessed Valuation	$ 1.00	(e)
Contract Tax $0.4566		
Maintenance Tax 0.5434		
Average Annual Debt Service Requirements of the Bonds and Outstanding Bonds (2016-2035)	$1,657,349	
Maximum Annual Debt Service Requirements of the Bonds and Outstanding Bonds (2025)	$1,684,625	
Tax Rate per $100 of Assessed Valuation within the District required to pay Average Annual and Maximum Annual Debt Service Requirements at 95% Tax Collections		

* Preliminary; subject to change.

Based Upon 2015 Assessed Valuation	$1.08

(a) Provided by the Denton County Appraisal District (the "Appraisal District"), this amount is the certified value of all taxable property located within the District as of January 1, 2015. This amount constitutes the District's 2015 tax roll. See "TAXING PROCEDURES" and "RISK FACTORS - Factors Affecting Taxable Values and Payments."

(b) See "DISTRICT DEBT - Estimated Direct and Overlapping Debt Statement of the District."

(c) As of October 15, 2015. Neither the Bond Ordinance, the Trust Agreements, nor Texas law requires that any particular amount be maintained in the Interest and Sinking Fund at any time.

(d) As of October 15, 2015. In addition, an amount equal to maximum annual debt service on the Bonds will be deposited in such Fund from proceeds of the Bonds. See "THE BONDS - Source of Payment - Debt Service Reserve Fund."

(e) The District has levied a tax of $0.4566 per $100 of assessed valuation during the year 2015 to pay its obligations under the Contracts. As indicated herein, a tax rate of $0.4566 is insufficient to pay either the Average Annual or the Maximum Annual Debt Service Requirements of the Bonds and the Outstanding Bonds based upon the 2015 Assessed Valuation. Therefore, in its resolution approving the Second Supplemental Trust Agreement authorizing the Bonds, the District has appropriated from available operation and maintenance funds of the District an amount necessary to result in Contract Payments being sufficient to pay debt service on the Bonds and the Outstanding Bonds, but in no event less than $480,000. For 2016, the District will levy a tax sufficient to result in Contract Payment sufficient to pay debt service on the Bonds and the Outstanding Bonds and expects such tax to be at least $0.80 per $100 of assessed valuation. In order for a $0.4566 tax rate to be sufficient to pay the Average Annual Debt Service Requirement and the Maximum Annual Debt Service Requirement, assessed values in the District would have to increase to approximately $221,661,200 for 2016.

Estimated Direct and Overlapping Debt Statement for the District

The following statement indicates the direct and estimated overlapping debt of the District. The table includes the estimated amount of indebtedness of governmental entities overlapping the District, defined as outstanding bonds payable from ad valorem taxes, and the estimated percentages and amounts of such indebtedness attributable to the property located within the District. This information is based upon data secured from the individual jurisdictions and/or the Texas Municipal Reports published by the Municipal Advisory Council of Texas. The calculations by which the statement was derived were made in part by comparing the reported assessed valuation of the property in the overlapping taxing jurisdictions with the Assessed Valuation of property within the District. No effect has been given to the tax burden levied by any applicable taxing jurisdiction for maintenance and operation or other purposes.

Taxing Jurisdiction	Outstanding Debt	As of	Percent	Amount
Denton County	$ 634,275,000	09/30/15	0.2340%	$1,484,204
Lewisville ISD	1,224,830,893	09/30/15	0.6540	8,010,407
Total Estimated Overlapping Debt				$9,494,611
Total Direct Debt (the Outstanding Bonds and the Bonds)				$18,700,000
Total Direct Debt and Overlapping Debt				$28,194,611
Ratio of Total Direct and Estimated Overlapping Debt to				

2015 Assessed Valuation ($165,646,677)	17.02%

Under Texas law ad valorem taxes levied by each taxing authority other than the District create a lien which is on a parity with the lien in favor of the District on all taxable property within the District. In addition to the ad valorem taxes required to retire the foregoing direct and overlapping debt, the various taxing authorities mentioned above are also authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administration and/or general revenue purposes. Certain of the jurisdictions have in the past levied such taxes. The District has the power to assess, levy and collect ad valorem taxes for operation and maintenance purposes if authorized by the District's voters at an election held for such purpose. Voters within the District have authorized a maintenance tax without legal limit as to rate or amount. See "DISTRICT TAX DATA - Maintenance Tax."

Debt Service Requirements

The following schedule sets forth the principal and interest requirements on the Outstanding Bonds and the Bonds.

	The Outstanding Bonds	The Bond*		Total
Year 9/30	Outstanding Debt Service	Principal	Interest[1]	Resulting Debt Service
2016	$718,750		$467,200	$1,185,950
2017	724,775	$300,000	657,000	1,681,775
2018	724,500	320,000	639,000	1,683,500
2019	723,250	340,000	619,800	1,683,050
2020	721,025	360,000	599,400	1,680,425
2021	722,825	380,000	577,800	1,680,625
2022	723,325	405,000	555,000	1,683,325
2023	722,525	430,000	530,700	1,683,225
2024	720,425	455,000	504,900	1,680,325
2025	722,025	485,000	477,600	1,684,625
2026	717,000	515,000	448,500	1,680,500
2027	725,675	540,000	417,600	1,683,275
2028	722,075	575,000	385,200	1,682,275
2029	721,850	610,000	350,700	1,682,550
2030	719,675	650,000	314,100	1,683,775
2031	720,550	685,000	275,100	1,680,650
2032	719,150	730,000	234,000	1,683,150
2033	720,475	770,000	190,200	1,680,675
2034	724,200	815,000	144,100	1,683,200
2035		1,585,000	95,100	1,680,100
Totals	$13,714,075	$10,950,000	$8,482,900	$33,146,975

Average Annual Requirements (2016-2035)	$1,657,349
Maximum Annual Requirements (2025)	$1,684,625

(1) Interest calculated at a rate of 6.00%.

TAX PROCEDURES

AN AMOUNT NOT MORE THAN NINETY-NINE PERCENT (99%) OF THE ORIGINAL PRINCIPAL AMOUNT OF THE BONDS, TOGETHER WITH INTEREST THEREON, IS PAYABLE FROM CONTRACT REVENUES, WHICH ARE PAYABLE FROM THE PROCEEDS OF AN ANNUAL AD VALOREM TAX, WITHOUT LIMITATION AS TO RATE OR AMOUNT, LEVIED AGAINST ALL TAXABLE PROPERTY WITHIN THE DISTRICT. THE FOLLOWING IS A SUMMARY OF CERTAIN PROCEDURES APPLICABLE TO SUCH TAXES.

County-Wide Appraisal District

The Texas Property Tax Code (the "Property Tax Code") establishes an Appraisal District and an appraisal review board in each county of the State of Texas. The Appraisal District is governed by a board of directors elected by the governing bodies of cities, towns and schools that participate in the Appraisal District and of the county. Conservation and reclamation districts such as the District may participate, to a limited extent, in such election. The board of directors of the Appraisal District selects a chief appraiser to manage the appraisal office of the Appraisal District. All taxing units within Denton County, including the District, are included in the Appraisal District. The Appraisal District is responsible for appraising property within the District, subject to review by the county appraisal review board. The appraisal roll as approved by the county appraisal review board must be used by the District in establishing their tax rolls and tax rate. The valuation and assessment of taxable property within the District is governed by the Texas Property Tax Code.

Under current Texas law, the District is responsible for the levy and collection of its taxes and will continue to be so responsible unless the Board, or the qualified voters of the respective District or of Denton County, at an election held for such purpose determines to transfer such functions to the Appraisal District or another taxing unit.

Exempt Property

Except for certain exemptions provided by Texas law, all real property and tangible personal property held or used for the production of income, mobile homes, and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt real property include: property owned by the State of Texas or its political subdivisions, if the property is used for public purposes; property exempt from ad valorem taxation by federal law; nonprofit cemeteries; and certain property owned by qualified charitable, religious, veterans, fraternal, or education organizations. Partially exempt to the maximum extent of $5,000 to $12,000 of assessed value, depending upon the disability rating of the veteran, is property owned by a disabled veteran or by the spouse or certain children of a deceased disabled veteran or a veteran who died while on active duty. A veteran who receives a disability rating of 100% is entitled to the exemption for the full amount of the veteran's residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. Also partially exempt, if approved by the Board or at an election called by the Board upon petition of a least 20% of the number of the qualified voters who voted in such District's preceding election, are residence homesteads of certain persons who are disabled or at least 65 years old to the extent of $3,000 of appraised

value or such higher amount as the Board or the District's voters may approve. Each District's tax assessor is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair such District's obligation to pay tax-supported debt incurred prior to adoption of the exemption by such District.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State to exempt up to twenty percent (20%) of the appraised market value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by June 30. To date, the District has not granted a general homestead exemption.

Freeport Goods Exemption: Freeport goods are goods, wares, merchandise, other tangible personal property and ores, other than oil, natural gas and other petroleum products, which have been acquired or brought into the state for assembling, storing, manufacturing, repair, maintenance, processing or fabricating or used to repair or maintain aircraft of a certified air carrier and shipped out the state within 175 days. Freeport goods are exempted from taxation by the District.

Goods-In-Transit: Article VIII, Section 1-n of the Texas Constitution provides for the exemption from taxation of "goods-in-transit." "Goods-in-transit" is defined by a provision of the Property Tax Code, which is effective for tax years 2008 and thereafter, as personal property acquired or imported into Texas and transported to another location in the State or outside the State within 175 days of the date the property was acquired or imported into Texas. The exemptions excludes oil, natural gas, petroleum products, aircraft and special inventory, including motor vehicle, vessel and out-board motor, heavy equipment and manufactured housing inventory. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption is tangible personal property acquired in or imported into Texas for storage purposes and which is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. The Property Tax Code provision permits local governmental entities, on a local option basis, to take official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax goods-in-transit during the following tax year. A taxpayer may receive only one of the freeport exemptions or the goods-in-transit exemptions for items of personal property.

Tax Abatement

The Issuer and Denton County may designate all or part of the area within the District as a reinvestment zone, and Denton County, the Issuer, and the District may thereafter enter into tax abatement agreements with owners of real property within the zone with each taxing jurisdictions' agreement affecting its own tax roll. The tax abatement agreements exempt from ad valorem taxation by the applicable taxing jurisdiction for a period of up to 10 years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with a comprehensive plan. In certain instances, personal property also may be eligible for tax abatement. As of January 1, 2015, none of the area within the District had been designated for tax abatement.

Assessment and Levy

Generally, all taxable property in the District (other than any qualifying agricultural, open space, and timber land) must be appraised at 100% of market value as of January 1 of each tax year, subject to review and

approval by the appraisal district appraisal review board. State law requires the appraised value of a residence homestead to be based solely on the property's value as a residence homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a residence homestead for a tax year to an amount not to exceed the lesser of (1) the property's market value in the most recent tax year in which the market value was determined by the Appraisal District or (2) the sum of (a) 10% of the property's appraised value for the preceding tax year, (b) the appraised value of the property for the preceding tax year; and (c) the market value of all new improvements to the property. However, houses held for sale by a developer or builder which remain unoccupied, are not leased or rented and produce no income, are required to be assessed at the price for which they would sell as a unit to a purchaser who would continue the owner's business. The Property Tax Code requires each appraisal district to implement a plan providing for reappraisal of all real property in the appraisal district at least once every three years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis.

The chief appraiser must give written notice before the appraisal review board meeting to each owner whose property value is recommended for an increase or if the recommended value is greater than the value rendered by the property owner. The appraisal review board has the ultimate responsibility for determining the value of all taxable property within the District; however, any owner who has timely filed notice to the appraisal review board may appeal the final determination by the appraisal review board of the owner's protest by filing suit in Texas district court. Prior to such appeal, however, the owner must pay the tax due on the amount of value of the property involved that is not in dispute or the amount of tax paid in the prior year, whichever is greater, but not to exceed the amount of tax due under the order from which the appeal is taken. In the event of such suit, the value of the property is determined by the court, or a jury if requested by any party. Additionally, the District is entitled to challenge certain matters before the appraisal review board, including the level of appraisals of a certain category of property, the exclusion of property from the appraisal records, or the grant in whole or in part of a partial exemption. The District may not, however, protest a valuation of individual property.

By September 1 of each year, or as soon thereafter as possible, the rate of taxation within the District is set by the respective Board based upon the valuation of property within the District as of January 1 and the amount required to be raised for debt service, maintenance purposes and authorized contractual obligations. Under certain circumstances the Board may be required to advertise and hold a public hearing within the District on a proposed tax rate before the Board can hold a public meeting to vote on the tax rate. If the tax rate adopted exceeds by more than 8% the rate needed to pay debt service and certain contractual obligations and to produce, when applied to the property which was on the prior year's roll, the prior year's total taxes levied for purposes other than debt service and such contractual obligations, such portion of the levy in excess of 3% more than the above-described rate may be repealed at an election within the District held upon petition of 10% of the District's qualified voters.

Agricultural, Open Space, or Timberland Deferment

The Property Tax Code permits land designated for agricultural use or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use designation must apply for the designation, and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. If a claimant receives the designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect "rollback" taxes based on the new use, in some cases, up to five years. A property owner may receive these special exemptions but waive such in particular taxing jurisdictions of the property owner's choice. Hence, a large landowner in a district could enjoy the benefit of the special exemptions with respect to county and school taxes without reducing his obligation to pay district property taxes. The waiver is effective for twenty-five (25) consecutive years, runs with the land and is binding on the owner who executed

the waiver and any successor in interest. A governing body can revoke a waiver upon request by the property owner only upon finding that such revocation would not materially impair an obligation payable from property taxes. As of January 1, 2015, none of the land within the District had been designated for agricultural use, open space or timberland.

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the District, may appeal orders of the Appraisal Review Board by filing a petition for review in district court within forty-five (45) days after notice is received that a final order has been entered. In such event, the property value in question may be determined by the court, or by a jury, if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

The Property Tax Code establishes a procedure for notice to property owners of reappraisals reflecting increased property values, appraisals that are higher than renditions and appraisals of property not previously on an appraisal roll.

Rollback of Operation and Maintenance Tax Rate

The qualified voters of the District have the right to petition for a rollback of the District's operation and maintenance tax rate only if the total tax bill on the average residence homestead increases by more than eight percent (8%). If a rollback election is called and passes, the rollback tax rate is the current year's debt service and contract tax rates plus 1.08 times the previous year's operation and maintenance tax rate. However, debt service and contract tax rates cannot be changed by a rollback election.

Collection

The District is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. By September 1 of each year, or as soon thereafter as practicable, the rate of taxation is set by the Board of Directors of the District based upon the valuation of property within the District as of the preceding January 1. Taxes are due on receipt of the tax bill and become delinquent after January 31 of the following year. The date of the delinquency may be postponed by the District if the tax bills are mailed after September 30 (if the Board has authorized discounts for early payment) or otherwise after January 10. The Board may approve a discount for early payment of taxes. Delinquent taxes are subject to 6% penalty for the first month of delinquency, 1% for each month thereafter to August 1 and 12% total if any taxes are unpaid on August 1. Delinquent taxes also accrue interest at the rate of 1% per month during the period they remain outstanding. In addition, in the instance in which a district must engage an attorney for collection of delinquent taxes, the Board may impose a further penalty not to exceed 15% on all taxes unpaid on August 1.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the person who owns the property on January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed for the year upon the property. The District's tax lien is on a parity with the tax liens of the other state and local jurisdictions levying taxes on property within the District. Whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. In the absence of such federal law, a district's tax lien takes priority over a lien of the United States. In the event a taxpayer fails to make timely payment of taxes due a District, the District may file suit at any time after taxes become delinquent to foreclose its lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part

of the same property. Property owners over 65 years of age may defer the payment of property taxes, or abate a suit for their collection, levied against their homesteads. The exercise of such deferrals or abatements could significantly delay the collection of property taxes by the District. See "RISK FACTORS - Factors Affecting Taxable Values and Tax Payments." Collection of delinquent taxes may also be adversely affected by the amount of taxes owed to other federal, state and local taxing jurisdictions, by the effects of market conditions on the foreclosure sales price, by the taxpayer's right to redeem the property within two years of foreclosure, or by bankruptcy proceedings which may delay the collection of a taxpayer's debts.

ASSESSMENT PROCEDURES

AN AMOUNT AT LEAST EQUAL TO ONE PERCENT (1%) OF THE ORIGINAL PRINCIPAL AMOUNT OF THE BONDS, TOGETHER WITH INTEREST THEREON, IS PAYABLE FROM AND SECURED BY A PLEDGE OF AND LIEN ON SPECIAL ASSESSMENT REVENUES LEVIED BY THE ISSUER ON BENEFITTED PROPERTY WITHIN THE IMPROVEMENT DISTRICT. THE FOLLOWING IS A SUMMARY OF CERTAIN PROCEDURES APPLICABLE TO THE SPECIAL ASSESSMENTS.

Levy of Special Assessments

By ordinance duly adopted (the "Assessment Ordinance"), the Issuer has levied special assessments against all property (except road rights-of-way) located within the boundaries of the Improvement District (the "Special Assessments"). Pursuant to the Assessment Ordinance, the Issuer has levied the Special Assessments in the total amount of $360,000 on the basis of the proportion of the value borne by each tract of land (without regard to any improvements thereon) within the Improvement District to the total value of property within the Improvement District, to be payable in full, at any time, or to be payable in annual installments as set forth in the Service/Assessment Plan and the Assessment Roll. The aggregate amount of Special Assessments assessed to pay a portion (not less than 1%) of the debt service on the Bonds and any Additional Bonds, together with interest thereon, are payable in annual installments which have been established to correspond as nearly as practicable to the debt service on all Outstanding Bonds, the Bonds and any Additional Bonds. Installments of Special Assessments bear interest at a weighted average interest rate based upon the rate borne by the Bonds, subject to adjustment based upon the rate borne by any Additional Bonds. Installments are due when billed and become delinquent on the following February.

Prepayment of Special Assessments

The owner of any property assessed may voluntarily prepay all of part of any Special Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time. The Assessment Ordinance requires that each Special Assessment, together with interest accrued thereon, be prepaid in full at such time as the owner of the tract subject to the Special Assessment applies for a building permit to construct a structure on such tract.

Priority of Lien

The assessment or any reassessment, the expense of collection, and reasonable attorney's fees, if incurred, constitute a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for state, county, city, school districts, or other political subdivision (such as the District), ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Ordinance until the Special Assessment is paid, and may be enforced by the Issuer in the same manner as an ad valorem tax levied against real property may be enforced by the Issuer. The lien of the Special Assessment runs with the land and any

installments of Special Assessments that have not yet come due are not eliminated by foreclosure of an ad valorem tax lien.

Covenant to Commence Foreclosure Proceedings

In the event of delinquency in the payment of any installment of an unpaid Special Assessment, the Issuer is empowered to order institution of an action in state district court to foreclose the lien of such delinquent Special Assessment. In such action the real property subject to the delinquent unpaid Special Assessment may be sold at judicial foreclosure sale for the amount of such delinquent installments, plus penalties and interest.

Pursuant to the provisions of the Trust Agreements, the Issuer has covenanted to determine or cause to be determined, no later than February 1 of each year, whether or not any installment or installments of Special Assessments are delinquent and, if such delinquencies exist, the Issuer has covenanted to order and cause to be commenced, or cause the Trustee to do so on behalf of the Issuer, on or before June 1, or immediately thereafter, and thereafter diligently prosecute an action in district court to foreclose the currently delinquent lien for the amount of any delinquent installment or installments of Special Assessments. See "APPENDIX C - SUMMARY OF THE TRUST AGREEMENTS."

To the extent it may legally do so, and taking into account the prior liens on assessed land for ad valorem taxes, the Issuer covenants that property will not be sold in a judicial foreclosure for less than the amount of a currently delinquent Special Assessment installment due on the property, including delinquent penalties, interest, and attorney fees, without the consent of the owners of a majority in principal amount of the Bonds, and any Additional Bonds . Any sale of property for nonpayment of an installment or installments of a Special Assessment shall be subject to the lien established for remaining unpaid installments of the Special Assessment against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the nondelinquent installments of Special Assessments against such property as they become due and payable pursuant to the terms of the Assessment Ordinance and the Bond Ordinance.

Judicial foreclosure proceedings are not mandatory; however, the Issuer has covenanted to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the Issuer of the proceeds of the foreclosure sale. It is possible that no bid would received at the foreclosure sale, and in such event there could be an additional delay in payment of the principal of and interest on Bonds or such payment may not be made in full.

DISTRICT TAX DATA

Contract Tax

The Board of Directors of the District is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in sufficient amount to pay amounts due to the Issuer under the Contracts, including principal of and interest on the Outstanding Bonds, the Bonds and any Additional Bonds which the Issuer may hereafter issue under the Contracts payable from taxes paid as Contract Revenues. The District agrees in the Contracts to levy such a tax from year to year as described more fully above under the caption "THE BONDS - Sources of Payment." The tax year 2015, the District levied a Contract Tax at the rate of $0.80 per $100 of assessed valuation. As indicated herein, a tax rate of $0.4566 is insufficient to pay either the Average Annual or the Maximum Annual Debt Service on the Bonds and the Outstanding Bonds based upon the 2015 Assessed Valuation. Therefore, in its resolution approving the Second Supplemental Trust Agreement authorizing the Bonds, the District has appropriated from available operation and maintenance funds of the District an amount necessary to result in Contract Payments being sufficient in

2016 to pay debt service on the Bonds and the Outstanding Bonds, but in no event less than $480,000. For 2016, the District will levy a tax sufficient to result in Contract Payment sufficient to pay debt service on the Bonds and the Outstanding Bonds and expects such tax to be at least $0.80 per $100 of assessed valuation.

Maintenance Tax

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements and operation of the District, if such maintenance tax is authorized by a vote of the District's electorate. Pursuant to an election held in the District on November 4, 2008, voters within the District authorized the Board to levy a maintenance tax unlimited as to rate or amount and the District has levied such a tax for 2015 at the rate of $0.5434 per $100 assessed valuation. It is expected that the District will levy a maintenance tax in 2016 in an amount not exceeding $0.20 per $100 assessed valuation. Such tax is in addition to the Contract Tax which the District is authorized to levy for paying amounts due to the Issuer under the Contracts. See "DISTRICT TAX DATA - Tax Rate Distribution."

Historical Values and Tax Collection History

The following statement of tax collections sets forth in condensed form the historical assessed valuation and tax collections of the District. Such summary has been prepared for inclusion herein based upon information obtained from District records. Reference is made to such records, including the District's annual audited financial statements, for more complete information. See "APPENDIX G - DISTRICT'S AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014."

Tax Year	Assessed Valuation	Tax Rate(a)	Adjusted Levy	% Collections Current & Prior Years(b)	Year Ending 9/30
2009	$71,914,208	$1.00	$ 719,142.28	100.00%	2010
2010	61,329,454	1.00	613,294.54	100.00	2011
2011	64,025,037	1.00	640,250.37	100.00	2012
2012	59,936,916	1.00	599,369.16	100.00	2013
2013	58,922,795	1.00	589,227.95	99.91	2014
2014	99,495,448	1.00	994,954.49	100.00	2015
2015	165,646,677	1.00	1,656,466.77	(c)	2016

(a) Per $100 of Assessed Valuation.
(b) Such percentages reflect cumulative total collections for each year from the time each respective annual tax was levied through March 31, 2015. The amount of tax collected for each levy on a current basis (by September 30 of the year following each respective levy) is not reflected in this statement.
(c) In process of collection.

Tax Rate Distribution

	2015	2014	2013	2012	2011
Contract Tax	$0.4566	$0.65	0.00	0.00	0.00
Maintenance Tax	0.5434	$0.35	1.00	1.00	1.00
Total	$1.000	$1.00	$1.00	$1.00	$1.00

Analysis of Tax Base

The following table illustrates the composition of property located within the District during the past five years.

Type of Property	2015 Assessed Valuation	2014 Assessed Valuation	2013 Assessed Valuation	2012 Assessed Valuation	2011 Assessed Valuation
Land	$80,155,860	$63,436,495	$58,638,921	$59,877,922	$64,007,551
Improvements	84,652,619	40,450,741	204	204	204
Personal Property	852,125	302,569	286,428	61,548	20,040
Exempt	(13,977)	(13,630)	(2,758)	$(2,758)	(2,758)
Total	$165,646,677	$104,176,175	$58,922,795	$59,936,916	$64,025,037

Exemptions

To date, the Board has not granted any general residence homestead exemption or any exemptions for homesteads of those over sixty-five (65) years of age or disabled. It cannot be predicted what actions future boards may take regarding exemptions.

Principal Taxpayers

Based upon information supplied by the Appraisal District, the following table lists principal taxpayers within the District, type of property owned by such taxpayers, and the valuation of such property as of January 1, 2015. The information reflects the composition of the Appraisal District's record of property ownership as of January 1, 2015.

Taxpayer	Type of Property	2015 Assessed Valuation	As a Percentage of 2015 Assessed Valuation
CAF TPEG Castle Hills, LLC	Apartment Complex	$38,600,000	23.30%
BRECO Lands, CH, LLC*	Land	29,364,092	17.73
GGT TRG Castle Hills TX, LLC	Apartment Complex	27,235,993	16.44
SWC 121/423 LP	Shopping Center	26,254,706	15.84
Windhaven Delta OHWC, LLC	Apartment Complex	24,004,652	14.49
CH PH 8 LLC*	Lots	6,500,879	3.93
CHPC Commercial Ltd.	Land	5,836,857	3.52
Highland Homes Ltd.	Lots	2,669,667	1.61
American Legend Homes LLC	Lots	2,384,031	1.44
Mountainprize Inc.	Commercial	1,231,214	0.74
TOTAL		$164,073,092	99.05%

*Related parties.

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of Assessed Valuation which would be required to meet the maximum debt service requirements on the Bonds payable from Contract Revenues from the District if no growth in the District occurs beyond the 2015 Assessed Valuation. The calculations also assume collection of 95% of taxes levied, the sale of no Additional Bonds by the Issuer other than the Bonds, and no use of funds on hand. Debt service requirements have been calculated based upon the rate borne by the Bonds.

Average Annual Debt Service Requirements $1,657,349
Maximum Annual Debt Service Requirements $1,684,625
Tax Rate of $1.08 on the 2015 Assessed Valuation produces $1,699,535

As the above indicates, a tax rate of $0.4566 per $100 of Assessed Valuation will be insufficient to pay the Average Annual or Maximum Debt Service Requirements on the Bonds and the Outstanding Bonds unless taxable values in the District increase beyond the 2015 Assessed Valuation. Therefore, in its resolution approving the Second Supplemental Trust Agreement authorizing the Bonds, the District has appropriated from available operation and maintenance funds of the District an amount necessary to result in Contract Payments being sufficient in 2016 to pay debt service on the Bonds and the Outstanding Bonds, but in no event less than $480,000. For 2016, the District will levy a tax sufficient to result in Contract Payment sufficient to pay debt service on the Bonds and the Outstanding Bonds and expects such tax to be at least $0.80 per $100 of assessed valuation. Assessed values within the District would have to increase to approximately $221,661,200 in 2016 in order for a tax rate of $0.80 to be sufficient to pay the Average Annual and Maximum Annual Debt Service Requirements on the Bonds and the Outstanding Bonds. Any such increase in taxable values depends on the continuing construction and/or sale of residential and commercial projects and other taxable improvements within the District. See "TAX PROCEDURES" and "RISK FACTORS - Factors Affecting Taxable Values and Tax Payments."

Estimated Overlapping Taxes

Property located within the District is subject to taxation by several taxing authorities in addition to the District. Set forth below is a compilation of all 2015 taxes levied upon property located within the District, together with the tax rate for the District for 2015. Under Texas law, ad valorem taxes levied by each taxing authority other than the District entitled to levy taxes against property located within the District create a lien which is on a parity with the tax lien of the District. In addition to the ad valorem taxes required to make the debt service payments on bonded debt of the District and of such other jurisdictions (see "DISTRICT DEBT - Estimated Direct and Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Taxing Jurisdictions	2015 Tax Rate Per $100 of Assessed Valuation
Lewisville Independent School District	$1.47673
Denton County	0.26200
The District	1.00000
Estimated Total Tax Rate	$2.73873

THE ISSUER

The City of Lewisville, Texas (the "Issuer") is a home rule city under the Constitution and laws of the State of Texas. The City, incorporated in 1925, is located in the southeastern portion of Denton County on Interstate Highway 35-E, 20 miles north of Dallas, 34 miles northeast of Fort Worth, 15 miles southeast of Denton and 8 miles north of Dallas-Fort Worth International Airport.

The individuals involved in the administration of the City as are follows:

Elected Officials

City Council	Length of Service	Term Expires	Occupation
Rudy Durham, Mayor	20 years	May, 2016	Chief Appraiser, DCAD
Neil Ferguson, Mayor Pro-Tem	4 years	May, 2017	Independent Construction and Real Estate Technology Consultant
Greg Tierney, Deputy Mayor Pro-Tem	11 years	May, 2016	Owner, Tierney's Café and Tavern
Leroy Vaughn, Councilman	4 years	May, 2016	Owner, Vonamillion Home Solutions
T.J. Gilmore, Councilman	4 years	May, 2016	Regional Sales Account Executive, ICON Voice Networks
Brent Daniels	--	May, 2017	Restaurant Owner and Manager

Appointed Officials

Name	Position	Length of Service with City
Donna Barron	City Manager	24 years
Brenda Martin	Director of Finance	8 years
Julie Heinze	City Secretary	14 years
Lizbeth Plaster	City Attorney	9 years

THE DISTRICT

Authority

The District was originally part of a district (the "Original District") created as a fresh water supply district by the Commissioners Court of Denton County pursuant to Chapter 53, Texas Water Code and Article XVI, Section 59 of the Texas Constitution. The creation of the Original District was confirmed at an election held within the District on January 17, 1983, by a vote of 10 "For" to 0 "Against." On December 21, 1993, the Original District was converted to a water control and improvement district by actions of its Board of Directors, retaining certain powers under Chapter 53 of the Texas Water Code and operating under the provisions of Chapters 49 and 51, Texas Water Code. On May 6, 1995, pursuant to an election held within the Original District, the Original District was subdivided into Denton County Fresh Water Supply District No. 1-A ("District No. 1-A") and Denton County Fresh Water Supply District No. 1-B (the "District No. 1-B") by a vote of 5 "For" to 0 "Against". Thereafter, on August 9, 1997, the voters within District No. 1-A approved the subdivision of District No. 1-A into District No. 1-A and Denton County Fresh Water Supply District No. 1-C ("District No. 1-C") and on May 1, 1999, the voters within District No. 1-C approved the division of District No. 1-C into District No 1-C and District No. 1-D. In addition, on May 1, 1999, voters within District No. 1-A approved the further division of District No. 1-A into District No. 1-A and Denton County Fresh Water Supply District No. 1-E ("District No. 1-E"). Thereafter, on November 5, 2002, voters within District No. 1-A approved the further division of District

No. 1-A into District No. 1-A and Denton County Fresh Water Supply District No. 1-F. In addition, on May 3, 2003, voters within District No. 1-A approved the further division of District No. 1-A into District No. 1-A and the District and on May 10, 2008, voters within District No. 1-A approved the further division of District No. 1-A into District No. 1-A and District No. 1-H. District No. 1-A, District No. 1-B, District No. 1-C, District No. 1-D, District No. 1-E, District 1-F, District No. 1-H and the District, are referred to collectively herein as the "Districts." The rights, powers, privileges, authority, and functions of the District are established by the general laws of the State of Texas pertaining to water control and improvement districts, particularly Chapters 49 and 51, Texas Water Code, as amended. Pursuant to an election passed by a vote of 7 "For" and 0 "Against" on August 8, 1987, the Original District was authorized to exercise sanitary sewer powers and to assume the privileges and functions of a road district under Article III, Section 52 of the Texas Constitution. The principal functions of the District are to finance, construct, own, and operate waterworks, wastewater, drainage facilities, streets and roads and to provide such facilities and services to the customers of the District. If approved by the voters within the District, the TCEQ, and other governmental entities having jurisdiction, the District may establish, operate, and maintain a fire department, independently or with one or more other conservation and reclamation districts, and provide such facilities and services to the customers of the District. The District is subject to the continuing supervision of the TCEQ in certain matters.

Description

As a consequence of the subdivision of the Original District and subsequent additions and exclusions of land, District No. 1-A now contains approximately 1.659 acres and the District contains approximately 307.074 acres. The remainder of the land comprising the Castle Hills Project lies within District No. 1-B, District No. 1-C, District No. 1-D, District No. 1-E, District No. 1-F, and District No. 1-H. The District is located approximately 25 miles from the central business district of Dallas, Texas in the southeastern portion of Denton County, Texas. The District lies entirely within the extraterritorial jurisdiction of the City of Lewisville. The District is located approximately 11 miles northeast of Dallas/Fort Worth International Airport. Highway 544 is located less than 1/4 mile to the north of the District and Josey Lane is located approximately 1/4 mile to the east of the District. The District is approximately 5 miles from Lake Lewisville, a 23,280 acre recreational lake adjacent to a 720 acre state park. In addition, the District is approximately two miles from the border of Legacy Business Park, which includes the corporate headquarters of J.C. Penney, Frito-Lay, Dr. Pepper, the future offices of Toyota North America, Liberty Mutual Insurance Company, and FedEx and other large corporate office complexes. The District lies within the Lewisville Independent School District. See "APPENDIX A - AERIAL PHOTOGRAPH."

Management of the District

The District is governed by the Board, consisting of five directors. The Board has control over and management supervision of all affairs of the respective District. Directors serve four-year staggered terms, and elections are held within the respective District on the first Saturday in May in even-numbered years. The current members and officers of the Board, along with their respective terms of office, are listed below. All Directors own property located in the District subject to separate notes and deeds of trust in favor of the Developer.

Name	Title	Term Expires
Mark Crouch	President	May, 2016
Michael Raquet	Vice President	May, 2018
Melissa Brand-Vokey	Secretary	May, 2016
Carol Upchurch	Treasurer/Assistant Secretary	May, 2018
Marcus O'Con	Assistant Secretary	May, 2018

The District does not have a general manager or any other employee, but has contracted, or expects to contract, for services as follows:

Tax Assessor/Collector - Land and improvements within the District are appraised for ad valorem taxation purposes by the Denton County Appraisal District. The District contracts with the Denton County Tax Assessor-Collector to perform tax collection services for the District.

Bookkeeper - The District has contracted with District No. 1-A for bookkeeping services. District No. 1-A also provides such services for District No. 1-C, District No. 1-D, District No. 1-E, District No. 1-F, and District No. 1-H.

Auditor - The District's financial statements for the fiscal year ended September 30, 2014, were audited by McCall Gibson Swedlund & Barfoot PLLC, Certified Public Accountants. See APPENDIX F for a copy of the District's September 30, 2014 audited financial statements.

Operations Manager - The District has contracted with District No. 1-A to manage and operate its facilities and bill and collect for the District's services. District No. 1-A currently employs approximately 32 persons, including 8 licensed operators, to carry out its functions.

Consulting Engineers - The District has employed the firm of Land Design, Inc. Dallas, Texas as Consulting Engineer (the "Engineer") in connection with the design of the System.

Legal Counsel - The District has engaged Winstead PC, Dallas, Texas, as general counsel and as Bond Counsel in connection with the issuance of the Bonds. Such firm also acts as general counsel and Bond Counsel for District No. 1-A, District No. 1-C, District No. 1-D, District No. 1-E, District No. 1-F, and District No. 1-H. Payment to Bond Counsel by the Issuer of legal fees for services rendered in connection with the issuance of the Bonds is based upon a percentage of the Bonds actually issued and sold and therefore such fees are contingent on the issuance, sale and delivery of the Bonds. See "LEGAL MATTERS."

A pension plan has not been established by the District. The District has funded payroll costs to District No. 1-A. District No. 1-A handles pension provisions for its employees.

THE IMPROVEMENT DISTRICT

The Issuer has created and authorized the Improvement District in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Improvement District Act"). This statute authorizes municipalities to create public improvement districts within the boundaries or the extraterritorial jurisdiction of the municipality, and to levy assessments within the public improvement district to pay for certain improvements.

On March 21, 2013, the Issuer received a petition signed by the requisite number of landowners, requesting the creation of a public improvement district. The Issuer published a notice as required by Chapter 372 of the Local Government Code and on May 6, 2013, after a public hearing, adopted a resolution creating the Improvement District. On May 19, 2014, after published notice and a public hearing, the Issuer also adopted an ordinance approving the Assessment/Service Plan (the "Assessment/Service Plan") and the Assessment Roll.

The land within the Improvement District is located within the District. The Improvement District is not a political subdivision of the State of Texas and is governed by the governing body of the Issuer.

Authorized Public Improvements

The Issuer may undertake improvement projects and/or services that confer a special benefit on property located within the Improvement District as provided by the Improvement District Act. The Issuer may levy and collect

Special Assessments on property in the Improvement District, payable in periodic installments based on the benefit conferred by the Improvement Project to pay all or part of it cost of improvement projects or services.

A public improvement project may include:

(1) landscaping; the erection of fountains, distinctive lighting and signs; the acquiring, constructing, improving, widening, narrowing, closing or rerouting of sidewalks or of streets, any other roadways or their rights-of-way; acquisition, construction or improvement of water, wastewater or drainage facilities or improvements; acquisition, construction or improvement of libraries; the construction or improvement of pedestrian malls, the establishment or improvement of parks; the acquisition and installation of pieces of art; the acquisition, construction or improvement of off-street parking facilities; and the acquisition, construction improvement or rerouting of mass transportation facilities.

(2) other improvements similar to those described in (1) above;

(3) the acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;

(4) special supplemental services for improvement and promotion of the District, including advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation and cultural enhancements;

(5) payment of expenses incurred in the establishment, administration and operation of the District; and

(6) development, rehabilitation, or expansion of affordable housing.

Assessment/Service Plan

Pursuant to the Improvement District Act, the Assessment/Service Plan has been approved by the Issuer, setting forth a plan for services and activities to be provided in the Improvement District, and setting forth the plan for apportioning the cost of the improvements to be assessed against properties in the Improvement District and for payment of the assessments against exempt municipal property in the Improvement District. The improvements contemplated by the Assessment/Service Plan include:

1. Acquisition or construction of a water distribution system which benefits the Improvement District, connecting to the Upper Trinity Regional Water District's water supply system.

2. Acquisition or construction of a wastewater collection system which benefits the Improvement District, connecting to the Issuer’s sanitary sewer collection and treatment system.

3. Acquisition or construction of a stormwater drainage system which benefits the Improvement District.

4. Acquisition or construction of streets or roadways and improvements thereto to provide access to and through all property within the Improvement District.

Under the Improvement District Act, the cost of the improvements may be assessed equally per square foot against all property within the Improvement District, or it may be assessed against property according to the value of the property as determined by the Issuer, with or without regard to structures or other improvements on the property, or it may be assessed on the basis of any other reasonable assessment plant that results in

imposing equal shares of the cost on property similarly benefitted. The Issuer has elected to levy an assessment rate based on the valuation method, the proportion of value borne by each tract of land (without regard to any improvements thereon) within the Improvement District to the total value of property in the Improvement District.

The Assessment/Service Plan is updated annually pursuant to Chapter 372, Texas Local Government Code.

Preparing Assessment Roll and Notices

The Issuer has caused the Special Assessments against each parcel of land (except road rights-of-way) within the Improvement District to be determined in accordance with the provisions of the Assessment/Service Plan. The Issuer has also adopted an Assessment Roll. The Issuer has prepared an updated Assessment Roll in connection with the issuance of the Bonds. The update projects the annual indebtedness of the Improvement District and the current lien on each property within the Improvement District. The Assessment Roll and all subsequent updates to the Assessment Roll have been filed with the City Secretary and are available for public inspection.

Assessments, Hearing, Levy and Payment

After published notice and public hearing, on May 19, 2014, the Issuer adopted an ordinance (the "Assessment Ordinance") levying the assessments as Special Assessments on the property and specifying the method of payment of the Special Assessments and providing that they be payable in periodic installments and shall continue for the number of years required to retire indebtedness or until the Special Assessments are prepaid in full, whichever occurs first.

Supplemental Assessments

After notice and hearing in the manner required for original assessments or as authorized by Section 372.020 of the Improvement District Act, the Issuer may make supplemental assessments to correct omissions or mistakes in the assessment relating to the total cost of the Authorized Improvements and/or services.

Ownership of Authorized Improvements

In accordance with the Improvement District Act, the Issuer has acquired and constructed, and will acquire the Authorized Improvements. All such Authorized Improvements, including the land and the facilities and infrastructure thereon, have been acquired and constructed and shall be acquired pursuant to the provisions of the Contracts. The Authorized Improvements will become facilities owned by the Issuer and will constitute a portion of the Issuer's infrastructure improvements.

Maintenance of Authorized Improvements

The Issuer will provide for the ongoing maintenance and repair of the Authorized Improvements constructed and conveyed, as outlined in the Assessment/Service Plan, from the date of receipt and acceptance of title to the Authorized Improvements. The cost of such maintenance and repair is required to be paid by the District pursuant to the Contracts.

DEVELOPMENT OF THE DISTRICT AND FUTURE DEVELOPMENT

Development of the District

Land within the District is being developed for single-family and commercial mixed-use projects. Proceeds of the Outstanding Bonds were used, and proceeds of the Bonds will be used, to pay the costs of acquiring and constructing certain water, sewer, and drainage facilities (the "Utility System") and certain streets and roads (the "Road System") (the Utility System and the Road System, collectively, the "System") to serve a 312 unit apartment complex (100% complete), known as Platinum Castle Hills, on 15.6 acres, a 316-unit apartment complex (100% complete), known as Aura Castle Hills, on 15.8 acres, and a 324-unit apartment complex (100% complete), known as Parkside Windhaven, on 16.2 acres. Approximately 35 acres have been developed into 155 single family lots as part of Castle Hills, Phase 8. Racetrac (Mountainprize, Inc.) purchased approximately 1.884 acres for development of a fueling station with a large convenience store. Approximately 35 acres have been developed as a strip shopping center anchored by a Kroger Signature grocery store and approximately 37 aces have been developed as a site for an office park. Proceeds of the Bonds will be used to provide portions of the System to serve approximately 135.22 undeveloped but developable acres within the District, all of which is expected to be developed into commercial property. Upon completion of such development, there will be no remaining undeveloped but developable acreage within the District. There is no assurance that proceeds of the Bonds will be sufficient to complete construction of the System. The Developer (hereinafter defined) is under no obligation to complete construction of the System if proceeds of the Bonds are insufficient for such purpose. See "RISK FACTORS - Construction Risks and Facilities Costs" and "THE SYSTEM - Status of Construction."

Builders

The Developer has entered into lot sales contracts with Highland Homes and American Legend Homes. American Legend Homes is an entity related to the Developer.

The lot sales contracts with such builders are typical production builder contracts, which do not provide for specific performance as a remedy in the event of a default by the builder but limits the Developer's remedies to retaining the 15% earnest money paid by the builder.

Home prices are expected to range generally from $300,000 to over $500,000.

Community Facilities

Community facilities available to the District and its general geographic area are set forth below:

> Churches: There are no churches in the District, however, churches of most denominations are located in the immediate vicinity of the District.
>
> Fire and Police Protection and Emergency Medical Services: Fire and police protection and emergency medical services are provided by the City and a City fire station is located within the Castle Hills Project.
>
> Medical Facilities: Baylor Medical Center is located approximately one mile from the District in the City of Carrollton.
>
> Other Utilities: Electric and gas service are being provided by COSERV and its subsidiaries and telephone and cable service are provided by Grande Communications and Verizon.

Schools: Residents of the District attend Lewisville Independent School District which currently has three elementary schools located in or near the District. A middle school is located contiguous to the western boundary of the Castle Hills Project. Lewisville Independent School District has acquired an additional middle school site approximately 1/4 mile from the District, as well as a high school site south of the District. Hebron High School is approximately 2 miles northeast of the District.

Shopping Facilities: Five grocery stores and several convenience centers are located with a 2-mile radius from the southern boundary of the District. Vista Ridge Mall, a regional shopping mall, is located approximately 4 miles west of the District. In addition, The Shops at Willow Bend, a regional mall, is located approximately 4 miles east of the District. Stonebriar Mall, a regional mall, is located approximately 5 1/2 miles northeast of the District. Castle Hills Village Shops and Plaza Center, located in District No. 1-D consists of 73,700 sq. ft. of retail space (89% leased) and approximately 64,000 sq. ft. of office space (91% leased).

Future Development

There remains approximately 135.26 undeveloped but developable acreage within the District, the entirety of which is anticipated to be entirely commercial and is expected to be developed with proceeds of the Bonds. The instigation of construction of new taxable improvements beyond that described in this Limited Offering Memorandum will be dependent on several factors including, to a great extent, the general demand for housing and commercial projects in the Dallas/Fort Worth metropolitan area as well as the vicinity of the District and other economic conditions which would affect the Developer's or any other party's ability to sell lots and/or other property and of any home builder to sell completed homes or any commercial developer to construct above-ground improvements. See "RISK FACTORS."

THE CASTLE HILLS PROJECT

Description

The Districts are part of the master planned community known as Castle Hills (the "Castle Hills Project"). Castle Hills Project is a development of Bright Realty (hereinafter defined). See "THE DEVELOPER" below. Castle Hills Project consists of approximately 2417.963 acres of land, 308.4 acres of which are located within the District, approximately 1.659 acres which are located within the boundaries of District No. 1-A, 309.2 acres of which are located within District No. 1-B, approximately 261.4 of which are located in District No. 1-C, approximately 490.69 acres of which are located within District No. 1-D, approximately 259.46 acres of which are located within the boundaries of District No. 1-E, approximately 368.942 acres of which are located within District No. 1-F, and 386.44 acres of which are located in District No. 1-H. According to the Developer, the ultimate land use within the Castle Hills Project is currently projected as follows: approximately 1,386.68 acres will be subdivided into approximately 3,928 single family lots, approximately 653.6 acres (including The Lakes at Castle Hills golf course as described below) will be used for the development of commercial mixed-use projects, approximately 249.1 acres will be developed as multi-family communities, and approximately 212 acres have been developed as a 18 hole golf course and country club known as The Lakes at Castle Hills. Swimming and tennis facilities, drainage, easements, streets rights-of-way, utility easements, open space, lakes, parks and greenbelts are included in the single-family acreage.

Status of Development

As of August 31, 2015, a total of 3,751 lots on approximately 1,354 acres had been developed within the Castle Hills Project, with 177 lots under development on approximately 33 acres. 3,326 homes were occupied, and 169 homes were under construction or permitted for construction. Also completed are 481 acres of commercial development, including the approximate 212 acres 18-hole golf course and country club (The Lakes at Castle

Hills), with swimming and tennis facilities. Approximately 173 acres are available for commercial development and approximately 181 acres are available for multifamily development.

Funding for the improvements located within the District will be through the issuance of bonds by Lewisville Castle Hills Public Improvement District No. 5, funding for the improvements located within District No. 1-B has been through the issuance of bonds by Castle Hills Public Improvement District, funding for the improvements located within District No. 1-C will be funded through the issuance of bonds by Lewisville Castle Hills Public Improvement District No. 7, funding the improvements within District No. 1-D has been through the issuance of bonds by Lewisville Castle Hills Public Improvement District No. 2, funding for the improvements with District No. 1-E has been through the issuance of bonds by Lewisville Castle Hills Public Improvement District No.3, funding for the improvements within District No. 1-F has been through the issuance of bonds by Lewisville Castle Hills Public Improvement District No. 4, and funding for the improvements with District No.1-H will be through the issuance of bonds by Lewisville Castle Hills Public Improvement District No. 6.

The Lakes at Castle Hills is a private club facility (non-equity), owned by an entity related to the Developer, which consists of an 18 hole championship golf course designed by Jay Morrish, along with an approximately 31,000 square foot clubhouse, resort style pool, tennis facilities with a tennis pro shop, among other amenities.

Major roadways in or adjacent to the Castle Hills Project which have been completed are: (i) S.H. 121 Sam Rayburn Toll Road; (ii) FM 2281 (Old Denton Road); and (iii) extension of FM 423 (Josey Lane), also known as Parker Road, which is being expanded to six lanes with expected completion in 2018.

A District's tax is levied only on property located within such District, therefore, the investment, security and quality of the Bonds is dependent on the successful development of property within each District, and the payment and collection of taxes levied thereon. Neither the faith and credit nor the taxing power of any of the balance of the Castle Hills Project is pledged to the payment of any obligations of any District or the Issuer, including the Bonds. See "RISK FACTORS."

THE DEVELOPER

Role of the Developer

In general, the activities of a developer in a development such as the District include purchasing the land within the Districts, designing the subdivision, designing the utilities and streets to be emplaced in the subdivision, designing any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as gas, telephone, and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. The relative success or failure of a developer to perform such activities in development of the property within a development may have a profound effect on the security of the combination unlimited tax and revenue bonds issued by a development. A developer is generally under no obligation to a district to develop the property which its owns in a development. Furthermore, there is no restriction on the developer's right to sell any or all of the land which the developer owns within a development. In addition, a developer is ordinarily the major taxpayer within a development during the development phase of the property.

The Developer in the District

The developer of land within the Castle Hills Project and within the District is Bright Realty, LLC (together with certain predecessors and subsidiaries, collectively, "Bright Realty"), which is owned by certain members of the

family of the late H.R. ("Bum") Bright and trusts for the benefit of such family members. Bright Realty is acquiring land in the District from a related company, BRECO Lands CH, LLC ("BRECO Lands") as dictated by development needs. Bright Realty and BRECO Lands are collectively referred to as the "Developer."

In addition to being former owners of the Dallas Cowboys football team, the Bright family has been active in real estate, oil & gas, banking, trucking and other areas of business both as an investor and a principal acting as owner/manager of operations.

Beginning in the early 1960's, entities owned by the Bright family built and acquired apartments, developed numerous mixed use subdivisions and built and operated a nursing home. Bright Realty and its predecessors substantially expanded its activities into office buildings and land development projects. A major component of its activities became fee management of distressed properties. Managing its own apartment properties was expanded into managing problems properties for various lending institutions, through Bright Realty's wholly owned subsidiary, Bright Management. At its height, Bright Management was managing real estate properties valued at over $500 million. The types of properties managed ranged from small retail pad sites to apartment complexes, twenty-five office buildings, numerous retail, warehouse and miscellaneous commercial buildings.

Bright Realty and its predecessors has been involved in land acquisition and real estate development for over 40 years. They have been involved as developer, builder and lender in numerous projects during that period of time. However, prior to the commencement of the Castle Hills Project, the Developer had no prior experience in the development of single-family subdivisions. The Issuer cautions that the prior development experience described above was, in some instances, undertaken during market conditions which existed in the past and in different geographical locations than the Issuer. Consequently, the prior land development experience of the Developer is no assurance that the development program in the Issuer will be successful.

Developer Principals

Chris Bright (62), Partner. Chris Bright oversees Bright Realty and its parent company Bright Industries. Dallas based Bright Industries includes oil and gas exploration and production (Bright & Company, LLC), real estate development (Castle Hills), home building operations (American Legend Homes, Belclaire Homes, Avanti Custom Homes), real estate marketing (Bright Marketing, LLC), hospitality, club and golf operations (The Lakes at Castle Hills) and corporate hospitality (TresMil, LLC). Mr. Bright is a Dallas native who was born and raised in Highland Park. He holds a B.A. from the University of Dallas. He began his career with STM Mortgage Company, where he supervised STM's real estate construction lending operations as well as its commercial loan placement and underwriting. He was served as Vice President of operations for Bright Management. Mr. Bright is active in several Dallas charitable and civic organizations and serves on the board of directors for the University of Dallas, A Weekend to Wipe Out Cancer, Big Brothers Big Sisters of North Texas and the McKinney Avenue Trolley Association. He also serves on the boards of State Bank & Trust, Bright Industries, Bright Realty, Bright & Co., Bright & Co. Marketing and American Legend Homes.

Clay Bright (60), Partner. Clay Bright is a member of Bright Realty's Board of Managers and he also oversees Bright Industries. As president of Bright Industries, Mr. Bright oversees real estate investing, commercial banking, mortgage banking, domestic oil and gas investing, equipment leasing, insurance and home building, and farming and ranching operations, with a focus on operational structure, asset and cash management, strategic planning, tax optimization, safety and soundness. Mr. Bright holds a B.S. in Industrial Distribution from Texas A&M University. He serves on the board of directors for Bright Industries and American Legend Homes. He is involved in local charitable organizations and serves on the board of directors for the Easterwood Foundation and previously on the Association of Former Students of Texas A&M University. He has also been actively involved in Boy Scouts of America.

Development Financing

Certain financial information with respect to Bright Realty is included in Exhibit G hereto. Bright Realty is not responsible for, liable for, and has not made any commitment for payment of the Bonds or other obligations of the District or the Issuer. Bright Realty has no legal commitment to the District, the Issuer, or owners of the Bonds to continue development of land within the District and may sell or otherwise dispose of its property within the District, or any other assets, at any time. Further, Bright Realty's financial condition is subject to change at any time.

THE SYSTEM

Regulation

According to the District's Engineer, water supply and distribution, wastewater collection, and storm drainage facilities (collectively, the "System") to serve the Castle Hills Project is and will be designed in accordance with accepted engineering practices and the current requirements of various agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities. The construction of the System is required to be accomplished in accordance with the standards and specifications of such entities and are subject to inspection by each such entity. Operation of the System must be accomplished in accordance with the standards and requirements of such entities. TCEQ exercises continuing supervisory authority over the District. Collection and transmission of the sewage to the City of Lewisville, Texas (the "City") plant and subsequent treatment and discharge is all subject to the regulatory authority of TCEQ and the U.S. Environmental Protection Agency. Construction of drainage facilities is subject to regulation by Denton County and, in some instances, the TCEQ. Denton County, the TCEQ, and the City also exercise certain regulatory jurisdiction over the System. The regulations and requirements of entities exercising regulatory jurisdiction over the System are subject to further development and revision which, in turn, could require additional expenditures in order to achieve compliance. In particular, additional or revised requirements in connection with any permit wastewater collection and transmission system beyond the criteria existing at the time of construction of the system could result in the need to construct additional facilities in the future. The following descriptions are based upon information supplied by the Districts' Engineer.

Water and Sanitary Sewer System

Water Supply Facilities: There are multiple sources of water to serve the District. It is served by the Upper Trinity Regional Water District which delivers to a site immediately south of FM 544, in the vicinity of the Texas Utility transmission lines, treated water at an average daily rate in excess of 14,000,000 gallons per day upon build out and a presently contracted amount of 2,700,000 gallons per day. In addition, the City of Lewisville provides water to serve the District, at an average daily rate of 4,500,000 gallons per day upon build out and a presently contracted amount of 300,000 gallons per day. The System currently has a pumping capacity of 8,000 gallons per minute, with current ground storage of 500,000 gallons, and with elevated storage of 1,500,000 gallons. This system will be adequate for the current and future service to approximately 3,500 single family equivalent connections. In addition to the foregoing, District No. 1-A has an emergency water interconnect with the City of Lewisville and Dallas Water Utilities.

Wastewater Treatment Facilities: Wastewater treatment is provided by the City. A wastewater treatment agreement has been reached among District No. 1-A, District No. 1-B, the Developer and the City by which the City agrees to provide sewage treatment capacity to District No. 1-B and District No. 1-A up to a maximum average of 10,500,000 g.p.d., or approximately 52,500 single-family equivalent connections. In turn, District No. 1-A and District No. 1-B make sewage treatment capacity available to the District out of such capacity.

Drainage Facilities

Drainage facilities to serve the developed areas within the District and a portion of the remaining developable acreage have been designed to outfall into Indian Creek, which traverses the Castle Hills Project and outfalls into the Elm Fork of the Trinity River approximately two miles from the District.

100-Year Flood Plain

According to the Engineer, the Federal Emergency Management Agency ("FEMA") Flood Insurance Rate Map effective April 2, 1997, which covers land located within the District, indicates that approximately no land in the District is within the 100-year floodplain designation.

PURCHASE OF THE BONDS

Raymond James & Associates, Inc., as Placement Agent (the "Placement Agent") has agreed to use its best efforts to place the Bonds with purchasers who are both (i) "Qualified Institutional Buyers" within the meaning of Rule 144A of the United States Securities and Exchange Commission (the "SEC") and (ii) "Institutional Investors" within the meaning of applicable state securities laws (collectively, the "Purchasers") pursuant to a Bond Placement Agreement (the "Bond Placement Agreement") with the Issuer at a price equal to the principal amount thereof. See "PLAN OF FINANCING – Sources and Uses of Funds." The Bond Placement Agreement provides, among other things, that the Purchaser's obligation to make such purchase is subject to the terms and conditions of the Bond Placement Agreement, including approval of certain legal matters by counsel to the Purchaser. For its services as Placement Agent, the Placement Agent is to receive a fee of $_____, payable from proceeds of the Bonds.

The Placement Agent has provided the following sentence for inclusion in this Official Statement. The Placement Agent has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Placement Agent does not guarantee the accuracy or completeness of such information.

LEGAL MATTERS

Legal Opinions

The Issuer will furnish the Purchaser a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Bonds are valid and binding obligations of the Issuer. The Issuer will also furnish the legal opinion of Winstead PC, Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the Issuer under the Constitution and laws of the State of Texas. The legal opinion of Bond Counsel will further state that an amount, on a cumulative basis, not less than one percent (1%) of the original principal amount of the Bonds, together with interest thereon, is payable from and secured by a pledge of and lien on the Special Assessment Revenues and that an amount equal to the balance of the original principal amount of the Bonds, together with interest thereon, but in no event to exceed, on a cumulative basis, not more than ninety-nine percent (99%) of the original principal amount of the Bonds, together with interest thereon, is payable from Contract Revenues to be paid by the District pursuant to the Contracts from the levy of ad valorem taxes, without legal limitation as to rate or amount, upon all taxable property located within the District. Bond Counsel's opinion will also address the matters described below under the caption "TAX EXEMPTION." A copy of the opinion of Bond Counsel is attached hereto as "APPENDIX E." Bond Counsel's fees for services rendered with respect to the sale of the Bonds are contingent upon the issuance and delivery

of the Bonds. Bond Counsel acts as counsel for the District on matters other than the issuance of Bonds and represents the Placement Agent and Financial Advisor from time to time in matters unrelated to the Bonds.

In its capacity as Bond Counsel, Winstead PC, has reviewed the information appearing in this Limited Offering Memorandum under the captions "THE BONDS," "THE ISSUER," "THE DISTRICT," "THE IMPROVEMENT DISTRICT,""TAX PROCEDURES," "ASSESSMENT PROCEDURES," "LEGAL MATTERS," "TAX EXEMPTION," "CONTINUING DISCLOSURE OF INFORMATION," "APPENDIX B - DEFINITIONS," "APPENDIX C - SUMMARY OF TRUST AGREEMENTS" "APPENDIX D - SUMMARY OF THE CONTRACTS," and "APPENDIX E - FORM OF BOND COUNSEL OPINION" solely to determine whether such information fairly summarizes the procedures, law and documents referred to therein. Bond Counsel has not, however, independently verified any of the other factual information contained in this Limited Offering Memorandum, nor has Bond Counsel conducted an investigation of the affairs of the Issuer or the District for the purpose of passing upon the accuracy or completeness of the information contained in this Limited Offering Memorandum. Certain legal matters will be passed upon for the Placement Agent by its counsel, McCall, Parkhurst & Horton L.L.P., Dallas, Texas.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

No-Litigation Certificate

The Issuer and the District will furnish to the Purchaser a certificate, dated as of the date of delivery of the Bonds, executed by both their authorized officers, to the effect that no litigation of any nature has been filed or is then pending or threatened, of which either has notice, either in state or federal courts, contesting or attacking the Bonds; to restrain or enjoin the issuance, execution or delivery of the Bonds; which would affect the provisions made for the payment of or security for the Bonds; which would in any manner question the authority or proceedings for the issuance, execution, or delivery of the Bonds; or which would affect the validity of the Bonds.

No Material Adverse Change

The agreement of the Purchaser to purchase the Bonds pursuant to the Bond Placement Agreement, and the obligation of the Issuer to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there has been no material adverse change in the financial condition of the Issuer or the District from that set forth or contemplated in the Preliminary Limited Offering Memorandum, as it may have been supplemented or amended, through the date of sale of the Bonds.

TAX EXEMPTION

In the opinion of Winstead PC, Bond Counsel, under existing statutes, regulations, published rulings and court decisions, interest on the Bonds is excludable from the gross income of the Registered Owners of the Bonds for federal income tax purposes. In expressing its opinion that interest on the Bonds is excludable from gross income of the Registered Owners of the Bonds, Bond Counsel will rely on the Issuer's no-arbitrage certificate, and will assume compliance by the Issuer with certain covenants of the Issuer and the District relating to the use of the facilities financed with the proceeds of the Bonds and the use and investment of the proceeds of the Bonds and other funds of the Issuer. Failure of the Issuer or the District to comply with these covenants may cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

The law upon which Bond Counsel has based its opinion is subject to change by the Congress, administrative interpretation by the Department of Treasury and to subsequent judicial interpretation. There can be no assurance that such law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of ownership of the Bonds.

Interest on the Bonds for federal income tax purposes (i) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date hereof, of the owners thereof pursuant to section 103 of such Code, existing regulations, published rulings, and court decisions thereunder, and (ii) will not be included in computing the alternative minimum taxable income of individuals or, except as hereinafter described, corporations. Interest on the Bonds owned by a corporation will be included in such corporation's adjusted current earnings for purposes of calculating the alternative minimum taxable income of such corporations, other than an S corporation, a qualified mutual fund, a real estate mortgage investment conduit, a real estate investment trust, or a financial asset securitization investment trust (FASIT). A corporation's alternative minimum taxable income is the basis on which the alternative minimum tax imposed by Section 55 of the Code will be compute.

Except as stated above with respect to the exclusion of the interest on the Bonds from gross income, Bond Counsel expresses no opinion as to any federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Bonds.

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers failing within any of these categories should consult their own tax advisors as to the applicability of these consequences.

A copy of the opinion of Bond Counsel is attached hereto as APPENDIX E.

Tax Accounting Treatment of Original Issue Discount Bonds

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under existing law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under existing law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

SOURCES OF INFORMATION

General

The information contained in this Limited Offering Memorandum has been obtained primarily from the Issuer's and the District's records, the District's Engineer, District No. 1-A, the Developer, the Denton County Appraisal District and other sources believed to be reliable; however, no representation is made by the Issuer or the District as to the accuracy or completeness of the information contained herein, except as described below under "Certification of Limited Offering Memorandum." The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum or any sale hereunder shall create any implication that there has been no change in the financial condition or operations of the Issuer described herein since the date hereof. This Limited Offering Memorandum contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. The summaries of the statutes, resolutions and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

Experts

The information contained in this Limited Offering Memorandum relating to engineering, to the description of the System generally and, in particular, the engineering information included in the sections captioned "THE ISSUER," "DEVELOPMENT OF THE DISTRICT AND FUTURE DEVELOPMENT," "THE CASTLE HILLS PROJECT," and "THE SYSTEM" has been provided by Land Design, Inc. Such information has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

The information contained in this Limited Offering Memorandum relating to assessed valuations of property generally and, in particular, that information concerning valuations contained in the sections captioned "TAX DATA" and "DISTRICT DEBT" has been provided by the Denton County Appraisal District.

The audited financial statements of the District for the year ended September 30, 2014, included in APPENDIX F hereto, were prepared by McCall Gibson Swedlund & Barfoot PLLC, Certified Public Accountants, which has consented to the publication of such financial statements in this Limited Offering Memorandum.

Certification of Limited Offering Memorandum

At the time of payment for and delivery of the Bonds, the Issuer will furnish the Purchaser a certificate, executed by the Mayor and City Secretary, acting in their official capacities, to the effect that to their knowledge and belief (a) the information, descriptions and statements of or pertaining to the Issuer contained in this Limited Offering Memorandum, on the date thereof and on the date of delivery were and are true and correct in all material respects; (b) insofar as the Issuer and its affairs, including its financial affairs, are concerned, this Limited Offering Memorandum did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; and (c) insofar as the descriptions and statements, including financial data contained in this Limited Offering Memorandum, of or pertaining to entities other than the Issuer and their activities are concerned, such statements and data have been obtained from sources which the Issuer believes to be reliable and that the Issuer has no reason to believe are untrue in any material respect or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; however, the Issuer has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the Issuer.

At the time of payment for and delivery of the Bonds, the District will furnish the Purchaser a certificate, executed by the President and Secretary of the Board of the District, acting in their official capacities, to the effect that the best of their knowledge and belief (a) the information, descriptions and statements of or pertaining to the District contained in this Limited Offering Memorandum, on the date thereof and on the date of delivery were and are true and correct in all material respects; (b) insofar as the District and its affairs, including its financial affairs, are concerned, this Limited Offering Memorandum did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; and (c) insofar as the descriptions and statements, including financial data contained in this Limited Offering Memorandum, of or pertaining to entities other than the District and their activities are concerned, such statements and data have been obtained from sources which the District believes to be reliable and that the District has no reason to believe are untrue in any material respect or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; however, the District has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the District.

Continuing Availability of Financial Information

Pursuant to Texas law, the District will have its financial statements prepared in accordance with generally accepted accounting principles, and will have its financial statements audited by a certified public accountant in accordance with generally accepted auditing standards within 120 days after the close of its fiscal year. The District audit report is filed with the TCEQ within 135 days after the close of its fiscal year. Copies of each audit report are also filed in the office of the District.

The District's financial records and audit reports are available for public inspection during regular business hours at the office of the District and copies will be provided on written request, to the extent permitted by law, upon payment of copying charges. Request for copies should be addressed to the District in care of Bond Counsel.

FORWARD-LOOKING STATEMENTS DISCLAIMER

The statements contained in this Limited Offering Memorandum, and in any other information provided by the Issuer, the District, or the Developer that are not purely historical, are forward-looking statements, including statements regarding the Issuer's, the District's or the Developer's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Limited Offering Memorandum are based on information available on the date hereof, and none of the Issuer, the District or the Developer assumes any obligation to update any such forward-looking statements. The actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgements with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Issuer, the District, or the Developer, as the case may be. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Limited Offering Memorandum will prove to be accurate.

CONTINUING DISCLOSURE OF INFORMATION

The Issuer has, in the Utility Trust Agreement, undertaken (the "Undertaking") for the benefit of the owners and beneficial owners of the Bonds, to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system. In order to obtain from the District the information necessary for the Issuer to comply with the Undertaking, the Issuer has entered into an "Agreement to Provide Certain Information" with the District pursuant to which the District has agreed to provide such information concerning the District and the Developer. The District has entered into a "Continuing Disclosure Agreement" with the Developer pursuant to which the Developer has agreed to provide such information. The Issuer is required to observe the Undertaking for so long as it is obligated to advance funds to pay the Bonds.

Annual Reports

The Issuer shall provide, or cause to be provided, annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of each fiscal year of the District ending in or after 2015, financial information and operating data with respect to the District of the general type included in the final Limited Offering Memorandum under the headings "DISTRICT DEBT,""DISTRICT TAX DATA, and in APPENDIX F hereto (District's Audited Financial Statements). The Issuer may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12 (the "Rule"). Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in the Bond Ordinances or Trust Agreements, or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the District commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Issuer shall provide, or cause to be provided, unaudited financial statements of the District by the required time, and shall provide, or cause to be provided, audited financial statements of the District for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

In addition, the Issuer has agreed to provide financial information with respect to the Developer, any person or entity to whom the Developer voluntarily assigns (except as collateral) the right to receive a payment out of the proceeds from the sale of the bonds of the Issuer, and each other person or entity, if any, to whom the Issuer voluntarily makes or agrees or has agreed to make a payment out of such proceeds of the general type. The Issuer will be obligated to provide information concerning the Developer and any such other person or entity only if and so long as (1) such person owns more than 20% of the taxable property within the Issuer by value, as reflected by the most recently certified tax rolls (and without effect to special valuation provisions), (2) such person has made tax or other payments to the Issuer which were used or available to pay more than 20% of the Issuer's debt service requirements in the applicable fiscal year of the Issuer, or (3) at the end of such fiscal year of the Issuer such person is obligated to the Issuer to provide or pay for Issuer facilities in an amount which exceeds 20% of the construction costs of said facilities to be financed with proceeds of the Bonds or any future bonds. The financial information to be provided with respect to the Developer is information of the type described in APPENDIX G hereto.

If the District changes its fiscal year, the Issuer will notify the MSRB, or cause the MSRB to be notified, of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

Event Notices

Notice of Occurrence of Certain Events, Whether or Not Material . The District will notify the MSRB through EMMA (in an electronic format as prescribed by the MSRB) within ten business days following the occurrence of any of the following events with respect to the Bonds, without regard to whether such event is material within the meaning of the federal securities laws: (1) principal and interest payment delinquencies; (2) unscheduled draws on debt service reserves reflecting financial difficulties; (3) unscheduled draws on credit enhancements reflecting financial difficulties; (4) substitution of credit or liquidity providers, or their failure to perform; (5) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds; (6) tender offers; (7) defeasances; (8) rating changes; and (9) bankruptcy, insolvency, receivership or similar event of an obligated person. (Neither the Bonds nor the Bond Order make any provision for credit enhancement - unless a municipal bond insurance policy is obtained - or liquidity enhancement.)

Notice of Occurrence of Certain Events, If Material. The District also will notify the MSRB through EMMA (in an electronic format as prescribed by the MSRB) within ten business days following the occurrence of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws: (1) non-payment related defaults; (2) modifications to rights of holders; (3) redemption calls; (4) release, substitution, or sale of property securing repayment of the Bonds; (5) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and (6) appointment of a successor or additional trustee or the change of name of a trustee.

Notice of Failure to Timely File. The District also will notify the MSRB through EMMA, in a timely manner, of any failure by the District to provide financial information or operating data in accordance with the provisions described above.

Availability of Information

The Issuer has agreed to provide the foregoing information only to the MSRB. The MSRB intends to make the information available to the public without charge through the EMMA internet portal at www.emma.msrb.org.

Limitations, Disclaimers, and Amendments

The Issuer has agreed to update information and to provide notices of certain events only as described above. The Issuer has not agreed to provide, or cause to be provided, other information that may be relevant or material to a complete presentation of the financial results of operations, condition, or prospects of the District, the Developer or agreed to update any information that is provided, except as described above. The Issuer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The Issuer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of Bonds may seek a writ of mandamus to compel the Issuer to comply with its agreement.

The Issuer may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer or the District, if but only if the agreement, as amended, would have permitted a purchaser to purchase or sell Bonds in the offering made hereby in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or any person unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The Issuer may amend or repeal the agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid or unenforceable, but only to the extent that its right to do so would not prevent the Purchaser from lawfully purchasing the Bonds. If the Issuer so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Undertakings

The Issuer has complied in all material respects with its previous undertakings except as follows:

> Due to a failure in communication between the Issuer and the District, the initial Annual Reports for the District, District No. 1-C, and District No. 1-H that were due by March 31, 2015, were not timely filed. Subsequently, unaudited financial statements were filed late on July 6, 2015, together with a notice of late filing and audited financial statements were filed on September 1, 2015, when they became available. The Issuer is in the process of engaging First Southwest Company, LLC to assist it in complying with its continuing disclosure undertakings relating to bonds of the Issuer issued for the benefit of the District.

This Limited Offering Memorandum is duly approved by the Governing Body of the Issuer and the Board of Directors of the District as of the date specified on the first page hereof.

CITY OF LEWISVILLE, TEXAS

/s/ _____
Mayor

ATTEST:

/s/ _____
City Secretary

DENTON COUNTY FRESH WATER SUPPLY DISTRICT NO. 1-G

/s/ _____
President, Board of Directors

ATTEST:

/s/ _____
Secretary, Board of Directors

APPENDIX A

AERIAL PHOTOGRAPH
(October 15, 2015)

SEE ATTACHED

APPENDIX B

DEFINITIONS

The following words and terms, whenever the same appear in the Bond Ordinances, the Trust Agreements or the Joint Utility Contract without qualifying language, and, unless otherwise defined herein, in this Limited Offering Memorandum, are defined to have the meanings set out below, unless the context requires a different interpretation:

Act - means, collectively, the Public Improvement District Assessment Act, as amended, Texas Local Government Code, Chapter 372, as amended.

Additional Bonds - means the additional parity bonds payable from Special Assessment Revenues and payable from Contract Payments in accordance with the Joint Utility Contract which the Issuer reserved the right to issue in the Trust Agreements.

Administrative Expense Fund - means the fund established in the Trust Agreements.

Assessment Ordinance - means, Ordinance No. 4075-05-2014, adopted by the governing body of the Issuer on May 19, 2014, and any amendment or supplement thereto that may be hereafter adopted by the governing body of the Issuer, levying annual Special Assessments to pay the Debt Service Requirements on the Bonds against each eligible parcel of land in the P.I.D. and providing that such Special Assessments together with the Contract Revenues received from the Districts in accordance with the Contracts be paid in periodic installments in amounts necessary to pay the Debt Service Requirements on the Bonds.

Assessment Roll - means the Assessment Roll which is attached to the Assessment/Service Plan as Exhibit "A" to the Assessment Ordinance as amended from time to time in accordance with the Act, which shows, among other things, the properties within the P.I.D. subject to Special Assessments, the amount assessed, and the installment payments on the Special Assessments.

Assessment/Service Plan - means the Assessment/Service Plan prepared in accordance with the Act and approved by the governing body of the Issuer, as part of the Assessment Ordinance, on May 19, 2014, setting for the plan for services and activities to be provided in the P.I.D. and setting for the plan for apportioning the cost of the improvements to be assessed against properties in the P.I.D.

Authorized Expenditures - means the expenditures made for facilities and improvements set forth in Exhibit "A" to the Trust Agreements, but shall not include: (i) any part of the water or sewer system of the City of Lewisville, secured under the outstanding obligations of the City of Lewisville; or (ii) certain facilities which, while owned by the Issuer, are constructed or acquired to perform certain contracts between the Issuer and other entities, including private corporations, municipalities and political subdivisions and are financed by the proceeds of the Issuer's revenue bonds issued particularly to finance facilities needed to perform such contract.

Authorized Improvements - means those improvements acquired with Authorized Expenditures.

Authorized or Permitted Investments - means any investment authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code.

Bankruptcy or Insolvency of a Person - means commencement by a Person of any voluntary case under any applicable bankruptcy, insolvency or similar law now or hereafter in effect, or any consent by the Issuer to the appointment of or taking of possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of a Person or any substantial part of its property, or any general assignment by the Issuer for the benefit of creditors, or failure by a Person generally to pay its debts as they become due.

Bond Ordinance - means the City of Lewisville ordinance, adopted on December 7, 2015, authorizing the issuance of the Bonds.

Bondholder Representative – means the Bondholder Representative for the Owners of not less than a majority in principal amount of the Bonds then Outstanding, initially ORIX Public Finance, LLC ("ORIX"); provided, however, that if Orix no longer owns a majority of the Bonds Outstanding, then such term shall be replaced with a majority of the Owners.

Bonds - means, collectively, the Bonds authorized by the Bond Ordinance and issued in accordance with the Utility Trust Agreement.

Business Day - means any day which is not a Saturday, Sunday, or a day on which the Trustee is authorized by law or executive order to close, or a legal holiday.

Cede & Co. - means the nominee of DTC in whose name the initial Bonds are to be registered.

City - means the City of Lewisville, Texas, a home rule city organized and operating under Article XI, Section 5 of the Constitution of the State of Texas.

Closing Date - means the date of physical delivery of the initial Bonds for payment in full by the Placement Agent.

Code - means the Internal Revenue Code of 1986, as amended.

Collection Fund - means the fund established in Section 5.1 of the Trust Agreements.

Comptroller - means the Comptroller of Public Accounts of the State of Texas.

Contracts - means, collectively, the Utility Contract and the Road Contract.

Contract Payments or District Contract Payments - means the payments required to be made by the District under the Contracts.

Contract Revenues - means the revenue paid to the Issuer by the District in accordance with the provisions of the Contracts.

Debt Service Requirements - means, as of any particular date of computation, with respect to any Parity Bonds and with respect to any period, the aggregate of the amounts to be paid or set aside from the Interest and Sinking Fund by the Trustee on behalf of the Issuer as of such date or in such period for the payment of the Principal Installment, redemption premium, if any, and interest (to the extent not capitalized) on such Parity Bonds.

Debt Service Reserve Amount - means the lesser of (i) 10% of the principal amount of the Bonds, (ii) the maximum annual debt service requirement of the Bonds, and (iii) 125% of the average annual debt service of the Bonds.

Debt Service Reserve Fund - means the fund so designated and established to Section 5.5 of the Utility Trust Agreement.

District - means Denton County Fresh Water Supply District No. 1-G.

Districts - means, collectively, Denton County Fresh Water Supply District No. 1-A and the District.

DTC - means The Depository Trust Company, New York, New York.

Electronic Means - means telecopy, email, or facsimile transmission or other similar means of communication approved in writing by the Trustee.

EMMA - means the Electronic Municipal Market Access system, a service of the MSRB.

Event of Default - means those events of default provided for in the Trust Agreements.

Fiscal Year - means the twelve (12) month accounting period used by the Issuer which currently ends on September 30, the Fiscal Year may be any twelve (12) consecutive month period established by the Issuer.

Foreclosure Proceeds - means the amounts received from the judicial sale of assessed property within the P.I.D. as a result of the nonpayment of Special Assessments.

Funds - means the Collection Fund, the Interest and Sinking Fund, the Administrative Expense Fund, the Prepayment Fund, the Utility Improvement Fund, the Road Improvement Fund, the Debt Service Reserve Fund, the Special Assessments Prepayment Fund, and the Redemption Fund, but not including the Rebate Fund, created by the Trust Agreements and any accounts in such Funds or Subaccounts.

Governing Body - means the City Council of the City of Lewisville, Texas.

Improvement Funds - means the funds established in the Trust Agreements.

Interest and Sinking Fund - means the interest and sinking fund and accounts created or confirmed in the Trust Agreements.

Interest Payment Date - when used in connection with any Bond, means March 1, 2016, and each September 1 and March 1 thereafter until maturity or prior redemption.

Investment Grade Rating - means a rating on the Bonds, assigned by a Rating Agency in one of such Rating Agency's four highest categories for long-term debt instruments (without regard for gradation within a rating category and without regard for credit enhancement unless such credit enhancement extends through the final maturity date of the Bonds.

Issue Date - means the Closing Date.

Issuer - means the City of Lewisville, Texas, a home rule city organized and operating pursuant to Article XI, Section 5 of the Constitution of the State of Texas.

Maturity Date - means the date or dates on which principal of the Bonds is scheduled to be paid, as provided in the Bond Ordinance.

MSRB - means the Municipal Securities Rulemaking Board.

Outstanding - as of the date of determination, all Bonds theretofore issued and delivered under the Trust Agreements, except: (i) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation; (ii) Bonds for whose purchase, payment or redemption money in the necessary amount has been theretofore deposited in an account, other than the Collection Fund with the Trustee in trust for the holders of such Bond; (iii) Bonds in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to the

Trust Agreements; and (iv) Bonds alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in the Trust Agreements.

Outstanding Bonds - means the Outstanding Utility Bonds and the Outstanding Road Bonds.

Outstanding Road Bonds - means any or all bonds of the $4,495,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Road System Bonds, Series 2014 (Lewisville Castle Hills Public Improvement District No. 5 Project).

Outstanding Utility Bonds - means any or all bonds of the $3,255,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2014 (Lewisville Castle Hills Public Improvement District No. 5 Project).

Owner or Registered Owner - means the Person or entity who is the registered owner of any Outstanding Bond.

Paying Agent/Registrar - means the entity serving as the Trustee when serving as Paying Agent/Registrar.

Person or Person - mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or any other entity recognized by the laws of the State of Texas.

Placement Agent - means Raymond James & Associates, Inc.

Prepayments - means amounts received as a result of the payment, more than 6 months in advance of the due date thereof, of Special Assessments or Contract Revenues.

Principal Installment - means as of any particular date of computation and with respect to the Bonds, an amount of money equal to the aggregate of (a) the principal amount of Outstanding Parity Bonds of said series which mature on a single future date, reduced by the aggregate principal amount of such Outstanding Parity Bonds, which would at or before said future date be retired by reason of the payment when due and application in accordance with the Bond Ordinances of Sinking Fund Payments payable at or before said future date for the retirement of such Outstanding Parity Bonds, plus (b) the amount of any Sinking Fund Payment payable on said future date for the retirement of any Outstanding Parity Bonds of said series, and said future date is deemed to be the date when such Principal Installment is payable and the date of such Principal Installment.

Principal Office - when used with respect to the Trustee, means the principal office of the Trustee situated in Dallas, Texas, at which the Trustee conducts its corporate business.

Public Improvement District or P.I.D. - means the Lewisville Castle Hills Public Improvement District No. 5.

Rating Agency - mean each of Moody's Investors Service, Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, or Fitch Ratings Inc.

Rebate Funds - means the rebate funds created or confirmed in the Bond Ordinances.

Record Date - means, for any Interest Payment Date, the fifteenth (15th) calendar day of the month next preceding such Interest Payment Date.

Redemption Funds - means the redemption funds established or confirmed in the Bond Ordinances.

Register - means the books of registration kept by the Paying Agent/Registrar/Registrar in which are maintained the names and addresses of, and the principal amounts registered to, the Registered Owners.

Road Contract - means that certain 2008 Joint Road Contract dated as of May 19, 2014, by and among the District, District No. 1-A and the Issuer.

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

SEC - means the United States Securities and Exchange Commission.

Securities Depository - means The Depository Trust Company, New York, New York, or any successor to DTC who serves as a securities depository.

Sinking Fund Payment - means the annual payments in the years and amounts provided in the Trust Agreements which are to be made into the Interest and Sinking Fund for the purpose of redeeming the Bonds prior to maturity.

Sinking Fund Payment Date - means the date on which a Sinking Fund Payment is due.

Special Assessments - means the assessments levied against properties in the P.I.D. to pay Debt Service Requirements on the Parity Bonds as set forth in the Assessment/Service Plan which are payable in periodic installments, and may and shall be prepaid, all as provided in the Assessment Ordinance and the Bond Ordinances. Special Assessments also include any supplemental assessments or reassessments levied in accordance with the Act.

Special Assessments Prepayment Fund - means the fund by that name created by the Trust Agreements.

Special Assessment Revenues - means the monies collected from Special Assessments levied against properties in the P.I.D., including interest on Special Assessments during the period a Special Assessment or any installment thereof is current or delinquent, prepayments, foreclosure proceeds, proceeds from a guarantor of the Special Assessments, penalties for non-timely payment of Special Assessments, earnings and income derived from the investment or deposit of moneys in the special funds or accounts created and established for the payment and security of the Bonds shall also constitute Special Assessment Revenues unless required to be deposited into the Rebate Fund for payment to the federal government, in which case, such earnings and investment income will not be Special Assessment Revenues.

Standard & Poor's - means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

Trust Agreements - means, collectively, the Utility Trust Agreement and the Master Trust Agreement, dated as of May 1, 2014, as supplemented by a First Supplemental Trust Agreement, dated as of May 1, 2014, relating to the Outstanding Road Bonds.

Trust Estate - means the property and assets conveyed to the Trustee pursuant to the granting clauses of the Trust Agreements.

Trustee - means Wilmington Trust, National Association, in Dallas, Texas, a national banking association, and any successor trustee hereunder.

Utility Contract - means that certain 2008 Joint Utility Contract dated as of May 19, 2014, by and among the District, District No. 1-A and the Issuer.

Utility Trust Agreement - means, collectively, the Master Trust Agreement, dated as of May 1, 2014, as supplemented by a First Supplemental Trust Agreement, dated as of May 1, 2014, and a Second Supplemental Trust Agreement, dated as of December 1, 2015, relating to the Outstanding Utility Bonds and the Bonds.

APPENDIX C

SUMMARY OF UTILITY TRUST AGREEMENT

The following is a brief summary of certain provisions of the Utility Trust Agreement and is not intended to be definitive. The summary does not purport to be a complete explanation of all provisions of the Utility Trust Agreement and reference is directed to such document, which is available from the Issuer for the complete text thereof.

General.

The Utility Trust Agreement authorizes the issuance of the Bonds, pledges the Contract Payments and Special Assessment Revenues to the repayment of the Bonds and the Outstanding Utility Bonds, and establish separate funds for the disbursement of the proceeds from the Bonds and the repayment (including mandatory tender for purchase and redemption) of the Bonds and the Outstanding Utility Bonds.

Funds.

All Special Assessment Revenues from the P.I.D. (other than interest and investment earnings and those received as a Prepayment of Special Assessments) and all Contract Payments are to be deposited in the Collection Fund. From the Collection Fund the monies are to be transferred upon receipt, as follows:

FIRST: To the Interest and Sinking Fund to meet Debt Service Requirements on the outstanding Bonds and the Outstanding Utility Bonds for the following year or a greater amount designated by the Issuer with the prior written approval of the District;

SECOND: To the Redemption Fund, any amounts required for redemptions (other than scheduled mandatory sinking fund redemptions) for the year; and

THIRD: To the Debt Service Reserve Fund, an amount necessary, if any, to increase the balance in the Debt Service Reserve Fund to the amount required to be on deposit therein as of the next succeeding Interest Payment Date.

FOURTH: To the Issuer to be used pursuant to the Utility Contract.

All Special Assessment Revenues received as Prepayments of Special Assessments are to be transferred upon receipt to the Special Assessments Prepayment Fund.

After the initial deposits required into the Interest and Sinking Fund and the Debt Service Reserve Fund, all remaining proceeds of the sale of the Bonds which will be deposited into the Improvement Fund established in the Utility Trust Agreement and will be applied to payment of the costs of acquiring and constructing the Facilities together with all expenses incidental thereto, the costs incident to the organization and initial administration of the P.I.D., and the costs of issuance of the Bonds.

Accrued interest, if any, on the Bonds together with capitalized interest on the Bonds from the proceeds of the sale of the Bonds, shall be delivered at closing to the Interest and Sinking Fund. Thereafter, prior to each Interest Payment Date, an amount equal to the full amount of the interest on and principal of the Bonds then falling due shall be transferred from the Collection Fund to the Interest and Sinking Fund and utilized to make the payments to the Bondholders.

The Redemption Funds are the funds into which funds to be used to pay the redemption price in connection with a redemption of the Bonds and the Outstanding Utility Bonds are to be transferred from the Collection Fund as provided in the Utility Trust Agreement.

Investment of Funds.

Money held by the Trustee in any of the accounts established pursuant to the Utility Trust Agreement will be invested in Authorized Investments as defined in the Utility Trust Agreement pursuant to written instructions of the Issuer with the approval of the District.

Trustee Responsibility.

The Trustee may rely and shall be protected in acting, or refraining from acting upon any written notice, instruction, or request furnished to it under the Utility Trust Agreement and believed by it to be genuine and to have been presented by the proper party or parties. The Trustee will not be liable for any action taken by it in good faith and believed by it to be authorized within the rights or powers conferred upon it by the Utility Trust Agreement shall be answerable only for its own negligence and willful misconduct and may consult counsel of its own choice, and shall have full and complete authorization and protection for any action taken or suffered by it under the Utility Trust Agreement in accordance with the opinion of such counsel.

Successor Trustee.

A bank or trust company authorized to perform corporate trust services may be substituted to act as Trustee under the Utility Trust Agreement, if the Trustee resigns, or is removed, dissolved or otherwise becomes incapable of duty. The Trustee or any successor trustee may at any time resign by giving not less than 60 days prior written notice to the owners of all of the outstanding Bonds of the applicable series, and such resignation shall take effect at the end of such sixty (60) days or upon the earlier appointment of a successor trustee approved in writing by the Holders of a majority in aggregate principal amount of the Bonds of the applicable series then outstanding. The holder of any the Bonds of the applicable series outstanding, may apply to any court of competent jurisdiction to appoint a successor trustee. No resignation or removal of the Trustee shall be effective until acceptance of appointment by the successor trustee. Any successor Trustee shall have capital and surplus exclusive of borrowed capital aggregating at least $50,000,000 and shall be subject to examination or supervision by a federal or state banking authority.

If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation or national banking association, the resulting, surviving, or transferee corporation or national banking association without further act shall be the successor Trustee wit the same effect as if it had been named as the Trustee herein.

Amendment.

The Issuer, without the consent of the Bondholders, may amend the Utility Trust Agreement for any of the following purposes:

a) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may be lawfully be granted to or conferred upon the Bondholders or the Trustee or either of them;

b) to authorize the Trustee to perform any and all of the duties of the Trustee under the Utility Trust Agreement;

c) To cure any ambiguity, inconsistency or formal defect or omission in the Bond Ordinance; and

d) To make such additions, deletions or modifications as may be necessary for compliance with Section 148(f) of the Code.

Exclusive of the aforementioned types of amendment, the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding have the right, from time to time, anything contained in the Utility Trust Agreement to the contrary notwithstanding, to consent to and approve the execution by the Trustee, the Issuer of such other amendments as shall be deemed necessary and desirable by the Trustee and the Issuer for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Utility Trust Agreement or in any amendment thereto; provided, however, that no amendment shall permit or be construed as permitting: (i) without the consent of each Bondholder so affected, an extension of the maturity of the principal of or interest on any Bond or any scheduled mandatory redemption; (ii) a reduction in the principal amount of any Bond, or a reduction in the rate of interest thereon or a Sinking Fund Payment; (iii) without the consent of all the Bondholders, a privilege or priority of any Bond over any other Bond; or (iv) a reduction in the aggregate principal amount of the Bonds of the applicable series required for consent to such amendment. Notice of an amendment under this provision must be sent, in writing, to all Bondholders and to the District, and consent must be obtained from 51% in aggregate principal amount of the Bonds of the applicable series outstanding within 90 days following such notice, or a longer period of time prescribed by the Issuer up to 6 months.

Defeasance.

Upon payment of all outstanding Bonds, either at or before maturity, or upon deposit of moneys, or deposit into an adequate escrow of non-callable obligations backed by the full faith and credit of the United States Government, with the Trustee sufficient (together with interest earnings on such investments) with other available funds to redeem all the Bonds at or before maturity, the Bonds will be considered defeased.

APPENDIX D

SUMMARY OF THE UTILITY CONTRACT

The following is a brief summary of certain provisions of the 2008 Joint Utility Contract (the "Utility Contract") and is not intended to be definitive. The summary does not purport to be a complete explanation of all provisions of the Utility Contract, and reference is directed to the Utility Contract, which is available from the Issuer for the complete text thereof.

General

The Utility Contract is an agreement among the City of Lewisville (the "Issuer"), Denton County Fresh Water Supply District No. 1-A ("District 1-A") and Denton County Fresh Water Supply District No. 1-G (the "District"). The Utility Contract contains the terms and conditions under which the Facilities will be financed, constructed and operated.

Terms of Utility Contract

The Utility Contract is dated as of May 19, 2014, and continue for so long as any of the Outstanding Utility Bonds and any Additional Utility Bonds remain outstanding and unpaid, but in no event longer than 40 years from the date thereof.

Responsibilities of Parties

The Issuer is obligated to issue the Bonds to finance, acquire, construct, own, or operate the Facilities. The Issuer agrees to submit a draft of any resolution authorizing the issuance of the Bonds to the District, and obtain its approval before issuing the Bonds and any Additional Utility Bonds.

District 1-A has the primary responsibility as project manager in connection with the construction, acquisition and operation of the Facilities. This responsibility entails designing the Facilities, acquiring easements and sites for the Facilities, awarding and supervising construction contracts.

For each year while the Bonds, the Outstanding Utility Bonds, and any Additional Utility Bonds, or any part of the principal and interest on the Bonds, the Outstanding Utility Bonds, and any Additional Utility Bonds, remain outstanding and unpaid, the District agrees to levy, assess and collect a continuing direct annual ad valorem tax, without limit as to rate or amount on all taxable property within the boundaries of the District to make all payments under the Utility Contracts. The taxes shall be sufficient to make all payments on the Bonds and any Additional Utility Bonds, all charges and fees of the Paying Agent/Registrar or trustee, all costs incident to the Facilities or the Bonds, the Outstanding Utility Bonds, and any Additional Utility Bonds, all payments to special funds or reserve funds established by the Bond Ordinances and Trust Agreement, and all operations and maintenance expenses of the Facilities.

Procedure for Calculating Annual Tax Rate

Under the Utility Contract, the District shall, prior to setting its tax rate each year, calculate the amount of the payments to be made to the Issuer during the forthcoming year.

Subject to any limitation imposed by the Bond Ordinances or the Trust Agreement, the District has the right to acquire the Facilities at any time during the term of the Utility Contract by paying to the Issuer the amount necessary to repay, redeem, refund or defease the Bonds, the Outstanding Utility Bonds, and any Additional Utility Bonds, together with all costs incident thereto. The District is required to furnish written notice to the Issuer no less than 60 days prior to the exercise of this right.

Remedies

In addition to all remedies provided by the laws of the State of Texas, the District covenants and agrees that, if the District defaults in the payment of any of the amounts required to be paid under the Utility Contract or defaults in the performance of any of the obligations of the Utility Contract, the Issuer or the Trustee shall be entitled to a writ of mandamus requiring performance of the obligation.

Approved by Voters

At an election conducted on March 4, 2008, the Utility Contract was approved by the voters within the District.

APPENDIX E

FORM OF BOND COUNSEL'S OPINION

APPENDIX F

DISTRICT'S AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

APPENDIX G

FINANCIAL INFORMATION CONCERNING THE DEVELOPER

The Developer has delivered the financial information included in this APPENDIX G (the "Financial Information") to the District for publication in connection with the District's offer and sale of the Bonds. The Financial Information has been included herein solely as additional information concerning the financial condition and capability of the Developer. Such Financial Information is relevant, among other reasons, to the Developer's ability to continue developing its land within the District and to pay ad valorem taxes thereon, and to preserve its financial investment in the District. See "THE DEVELOPER". The Developer is not responsible for, liable for, and has not made any commitment for payment of the Bonds or other obligations of the District or the Issuer and the inclusion of the Financial Information herein should not be construed as an implication to that effect. The Developer has no legal commitment to the District, the Issuer, or holders of the Bonds to continue development of land within the District and may sell or otherwise dispose of property within the District, or any other assets, at any time. Further, the Developer's financial condition is subject to change, and, except as stated in this Limited Offering Memorandum under the section captioned "CONTINUING DISCLOSURE OF INFORMATION," financial information concerning the Developer will not be provided by the District after the sale of the Bonds. Therefore, the District cautions that the Financial Information should not be construed or interpreted as an indication of the investment security of the Bonds.

The Developer has represented to the District that the Financial Information has been prepared from its books and records, has been prepared in accordance with generally accepted accounting principles, fairly represents the financial condition of the Developer as the date indicated, and does not fail to disclose any material fact or omit to state any material facts necessary to make such Financial information not misleading and that there has not been any material adverse change in the financial condition of the Developer since the date on which the financial information is presented.

The following financial information of the Developer is included in this Appendix G:

Bright Realty

1. Audited Financial Statements as of December 31, 2014 and 2013
2. Unaudited Balance Sheet as of August 31, 2015

APPENDIX H

FORM OF INVESTMENT LETTER

_____, 2015

City of Lewisville, Texas
Lewisville, Texas

Denton County Fresh Water Supply District No. 1-G
Lewisville, Texas

Raymond James & Associates, Inc.
Dallas, Texas

City of Lewisville, Texas
Combination Contract Revenue and Special Assessment
Utility System Bonds,
Series 2015
(Lewisville Castle Hills Public Improvement District No. 5 Project)

Ladies and Gentlemen:

In connection with our purchase of $_____ Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2015 (Lewisville Castle Hills Public Improvement District No. 5 Project) (the "Bonds") issued by the City of Lewisville, Texas (the "Issuer"), pursuant and subject to the terms and provisions of that certain Master Trust Agreement, as supplemented by a First Supplemental Trust Agreement and a Second Supplemental Trust Agreement relating to the Bonds, by and between the City of Lewisville, Texas and Wilmington Trust, National Association, as Trustee and the Ordinance of the City authorizing the issuance of the Bonds, we certify, represent and warrant to you as follows:

1. We acknowledge that we have agreed to purchase the Bonds directly from the Issuer.

2. We are (a) a "qualified institutional buyer" within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the "Act") and (b) an "institutional investor" within the meaning of applicable state securities laws. We have experience and expertise in the purchase and ownership of obligations similar to the Bonds. We are duly and validly organized under the laws of our jurisdiction of incorporation or organization. We are capable of evaluating the merits and risks of the purchase of the Bonds on the bases of the information and review of the materials described in paragraph (3) below. We understand fully the nature of this particular investment in the Bonds and the risks associated with the investment, including the risks that no secondary market may exist with respect to the Bonds. We can bear the economic risk of the purchase of the Bonds.

3. We have (a) received and thoroughly read and evaluated the Limited Offering Memorandum, including the appendices thereto, dated _____, 2015, relating to the offering of the Bonds, and (b) been given the opportunity (i) to ask questions of, and receive answers from, the management of the Issuer, Denton County Fresh Water Supply District No. 1-A, Denton County Fresh Water Supply District No. 1-G, and Bright Realty, LLC concerning their operations and financial conditions and the terms and conditions of the Bonds and (ii) to obtain such additional information (including, without limitation, financial information, appraisals, and projections) as we have requested and that we deem necessary in our decision to purchase the Bonds. We recognize that the Limited Offering Memorandum may not contain all information necessary or desirable for analyzing the risks involved in the purchase of the Bonds. We have relied on information contained in the

Limited Offering Memorandum as part of our decision to purchase the Bonds. We are able and willing to bear the economic risks of the purchase and ownership of the Bonds.

4. We are purchasing the Bonds for our own account and not for the account of others or for resale. In any event, if we sell, or issue a participation in, any Bonds, we will comply with all applicable federal and state securities laws and, unless the Bonds have ever been rated in one of the four highest rating categories by a nationally recognized rating service, will offer and sell the Bonds only to one or more "qualified institutional buyers" (as defined in Rule 144A promulgated under the Act) and/or "accredited investors" (as defined in Rule 501 under Regulation D promulgated under the Act). We have no current intention of reselling or disposing of the Bonds or engaging in any "distribution" thereof, but retain the right to do so in the future.

5. We recognize that, except (i) as set forth in the Limited Offering Memorandum and (ii) as otherwise set forth in the Bond Purchase Agreement and the documents delivered pursuant thereto in connection with the issuance of the Bonds, no representations or warranties as to the accuracy or the adequacy of the information in the Limited Offering Memorandum or otherwise provided to us have been made by the Issuer, Winstead PC, as bond counsel, First Southwest Company, as financial advisor to the Issuer, or Bracewell & Giuliani LLP, as counsel to the Issuer, Raymond James & Associates, Inc. as the underwriter, or McCall, Parkhurst & Horton L.L.P., as counsel to the underwriter.

6. We recognize that the statements set forth in this letter are being relied upon by the parties involved in the issuance and sale of the Bonds and such statements shall survive the execution and delivery to us of the Bonds and the instruments and documents contemplated thereby.

Sincerely,

[PURCHASER]

By _____

Name: _____

Title: _____

APPENDIX I

[FORM OF TRANSFEREE LETTER]

City of Lewisville, Texas
1197 W. Main at Civic Center
Lewisville, Texas 75209

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248

City of Lewisville, Texas
Combination Contract Revenue and Special Assessment
Utility System Bonds,
Series 2015
(Lewisville Castle Hills Public Improvement District No. 5 Project)

Ladies and Gentlemen:

In connection with the purchase of $_____ par amount of the City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2015 (Lewisville Castle Hills Public Improvement District No. 5 Project) (the "Bonds"), the undersigned purchaser of the Bonds (the "Purchaser") hereby acknowledges, represents and warrants to, and agrees with the City of Lewisville, Texas and Wilmington Trust, National Association, as Paying Agent/Registrar for the Bonds, as follows:

(i) The Purchaser is a "Qualified Institutional Buyer" within the meaning of Rule 144A of the United States Securities and Exchange Commission and is an "Institutional Investor" within the meaning of applicable state securities laws; and

(ii) The Purchaser is not acquiring the Bonds for more than one account or with a view to distribution thereof, provided that the Purchaser reserves the right to sell, pledge, dispose, convey or otherwise transfer the Bonds at some future date determined by the Purchaser, provided that any such transferee shall be required to execute a Transferee Letter in the form of this letter as a condition to any transfer of the Bonds.

Very truly yours,

[PURCHASER]

By: _____

$_____
CITY OF LEWISVILLE, TEXAS
COMBINATION CONTRACT REVENUE AND
SPECIAL ASSESSMENT UTILITY SYSTEM BONDS, SERIES 2015
(LEWISVILLE CASTLE HILLS
PUBLIC IMPROVEMENT DISTRICT NO. 5 PROJECT)

BOND PLACEMENT AGREEMENT

December 7, 2015

Honorable Mayor and City Council
City of Lewisville, Texas c/o
Winstead PC
2728 N. Harwood, Suite 500
Dallas, Texas 75201

Dear Mayor and City Council Members:

The undersigned (the "Placement Agent") offers to enter into this Bond Placement Agreement with the City of Lewisville, Texas (the "Issuer") and Denton County Fresh Water Supply District No. 1-G (the "District"). This offer is made subject to the Issuer's acceptance of this Bond Placement Agreement on or before 10:00 p.m., Dallas Time on the date hereof.

1. **Offering of the Bonds**. Upon the terms and conditions and upon the basis of the representations set forth herein, the Placement Agent hereby agrees to use its best efforts to assist the Issuer in placing the referenced bonds consisting of $_____ City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2015 (Lewisville Castle Hills Public Improvement District No. 5 Project) (the "Bonds") with sophisticated investors. As compensation for its services, the Placement Agent will receive a total fee of $_____ upon the delivery of the Bonds to the initial purchasers thereof (collectively, the "Purchaser"), against payment of the purchase price thereof, as specified in Section 6 hereof (the "Closing"). The Bonds shall have the dated date, the maturities and bear interest from the dates at the rate or rates per annum as shown on the cover page of the Limited Offering Memorandum (hereinafter defined), such interest being payable as shown on the cover page of the Limited Offering Memorandum.

2. **Bond Ordinance**. The Bonds shall be authorized and issued pursuant to a Bond Ordinance adopted by the Issuer on December 7, 2015 (the "Bond Ordinance"). The Bonds shall be as described in and shall be secured and payable as provided in the Bond Ordinance, a Master Trust Agreement, dated as of May 1, 2014, as supplemented by First Supplemental Trust Agreement, dated as of May 1, 2014 and a Second Supplemental Trust Agreement, dated as of December 1, 2015 (collectively, the "Trust Agreement") between the Issuer and Wilmington Trust, N.A. (the "Trustee"), and the 2008 Joint Utility Contract, dated May 19, 2014 (the "Contract"), among the Issuer, Denton County Fresh Water Supply District No. 1A ("District No. 1A"), and the District.

3. **Limited Offering Memorandum**. Exhibit A hereto is the cover page of the Limited Offering Memorandum of the District, dated December 7, 2015 (the "Limited Offering Memorandum"), with respect to the Bonds. The District hereby authorizes the Limited Offering Memorandum and the information therein contained to be used by the Placement Agent in connection with the placement of the Bonds.

4. **Representations, Warranties and Agreements of the Issuer**. On the date hereof, the Issuer represents, warrants and agrees as follows:

(a) The Issuer is a home rule city created pursuant to the Constitution and laws of the State of Texas and has full legal right, power and authority (i) to issue the Bonds described in the Bond Ordinance, the Contract, the Trust Agreements and this Bond Placement Agreement, (ii) to authorize and approve the Limited Offering Memorandum and to authorize and approve their distribution by the Placement Agent, (iii) to adopt the Bond Ordinance and to carry out and consummate the actions contemplated thereby, and (iv) to carry out and consummate all other transactions contemplated by each of the aforesaid documents;

(b) The Issuer has duly created and established the Lewisville Castle Hills Public Improvement District No. 5 (the "Improvement District") pursuant to Chapter 372, Texas Local Government Code and the Issuer has full legal right, power, and authority to levy, assess, and collect the special assessments in accordance with City of Lewisville Ordinance No. 4075-05-2014 (the "Assessment Ordinance").

(c) The Issuer has complied, and will be at the date of Closing in compliance, in all material respects, with the Constitution and laws of the State of Texas in connection with the authorization, issuance and sale of the Bonds;

(d) By official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly adopted the Bond Ordinance, has duly authorized and approved the execution and delivery of the Bonds, the Trust Agreement, the Contract and this Bond Placement Agreement, and has duly authorized and approved the performance of its obligations contained in the Bond Ordinance, the Trust Agreement, the Contract, and this Bond Placement Agreement;

(e) To the knowledge of the Issuer, the Issuer is not in breach of or default in any material respect under any applicable law or administrative regulation of the State of Texas or the United States or any applicable judgment or decree or any loan agreement, note, resolution, agreement or other instrument, except as may be disclosed in the Limited Offering Memorandum, to which the Issuer is a party or is otherwise subject, which would have a material and adverse effect upon the Bonds; and the execution and delivery of the Contract, the Trust Agreement, and this Bond Placement Agreement by the Issuer and the execution and delivery of the Bonds and the adoption of the Bond Ordinance by the Issuer and compliance with the provisions of each thereof will not violate or constitute a material breach of or default under any existing law, administrative regulation, judgment, decree or any agreement or other instrument to which the Issuer is a party or, to the knowledge of the Issuer, is otherwise subject;

(f) All approvals, consents and orders of any governmental authority or agency having jurisdiction which approval, consent or order would constitute a condition precedent to the performance by the Issuer of its obligation to issue the Bonds hereunder will have been obtained prior to the Closing;

(g) The Limited Offering Memorandum did not, and at the time of the Issuer's acceptance hereof, insofar as the Issuer and its affairs, including its financial affairs, are concerned, the Limited Offering Memorandum does not, and at the time of the Closing, the Limited Offering Memorandum will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(h) Between the date of this Bond Placement Agreement and Closing, the Issuer will not, without the prior written consent of the Placement Agent, issue any additional bonds, notes or other obligations for borrowed money payable in whole or in part from payments under the Contract or special assessments on the property located within the District;

(i) No litigation is pending or, to the knowledge of the Issuer, threatened in any court affecting the existence of the Issuer, the title of its officers to their respective offices, or seeking to restrain or enjoin the issuance or delivery of the Bonds, the levy or the collection of the special assessments pledged or to be pledged to make payments on the Bonds, or in any way contesting or affecting the issuance, execution, delivery, payment, security or validity of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bond Ordinance, the Trust Agreement, the Contract, or this Bond Placement Agreement, or contesting the powers of the Issuer, or any authority for the Bonds, the Bond Ordinance, the Trust Agreement, the Contract, or this Bond Placement Agreement or contesting in any way the completeness, accuracy or fairness of the Limited Offering Memorandum;

(j) Although the Issuer assumes no responsibility for the registration or qualification of the Bonds under the securities law of any jurisdiction, the Issuer will cooperate with the Placement Agent, at the Placement Agent's request and expense, in arranging for the qualification of the Bonds for sale and the determination of their eligibility for investment under the securities laws of such jurisdictions as the Placement Agent designates, and will, at the Placement Agent's request and expense, use its best efforts to continue such qualifications in effect so long as required for the initial distribution of the Bonds; provided, however, that the Issuer will not be required to execute a general consent to service of process or to qualify to do business in connection with any such qualification in any jurisdiction;

(k) The descriptions contained in the Limited Offering Memorandum of the Issuer and the Improvement District are true and correct in all material respects; and

(l) If after the date of this Bond Placement Agreement to and including the date the Placement Agent is no longer required to provide a Limited Offering Memorandum to customers who request the same pursuant to Rule 15c2-12, an event occurs of which the

Issuer has knowledge and which would cause the Limited Offering Memorandum to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall notify the Placement Agent, and if in the opinion of the Issuer or the Placement Agent such event requires a supplement or amendment to the Limited Offering Memorandum, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with laws, the Issuer will supplement or amend the Limited Offering Memorandum in a form and in a manner jointly approved by the Issuer and the Placement Agent, such that the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading. If such supplement or amendment shall be subsequent to the Closing, the Issuer shall furnish such certificates, instruments and other documents as the Placement Agent may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Limited Offering Memorandum.

5. **Representations, Warranties and Agreements of the District**. On the date hereof, the District represents, warrants and agrees as follows:

(a) The District was created by an election held on May 3, 2003, and operates as a water control and improvement district pursuant to Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 51, Texas Water Code, as amended, with certain reserved powers under Chapter 53, Texas Water Code, as amended, and has full legal right, power and authority (i) to enter into the Contract and this Bond Placement Agreement, (ii) to authorize and approve the Limited Offering Memorandum and to authorize and approve its distribution by the Placement Agent, (iii) to approve the form of the Bond Ordinance, (iv) to enter into this Bond Placement Agreement, and (v) to carry out and consummate all other transactions contemplated by each of the aforesaid documents;

(b) The District has complied, and will be at the date of Closing in compliance, in all material respects, with the Constitution and laws of the State of Texas in connection with the Contract and the performance of its obligations thereunder;

(c) By official action of the District prior to or concurrently with the acceptance hereof, the District has duly authorized and approved the execution and delivery of the Contract and this Bond Placement Agreement, and has duly authorized and approved the performance by the District of its obligations contained in the Contract and this Bond Placement Agreement;

(d) To the knowledge of the District, the District is not in breach of or default under any applicable law or administrative regulation of the State of Texas or the United States or any applicable judgment or decree or any loan agreement, note, resolution, agreement or other instrument, except as may be disclosed in the Limited Offering Memorandum, to which the District is a party or is otherwise subject, which would have a material and adverse effect upon the business or financial condition of the District; and the

execution and delivery of the Contract and this Bond Placement Agreement by the District and compliance with the provisions of each thereof will not violate or constitute a material breach of or default under any existing law, administrative regulation, judgment, decree or any agreement or other instrument to which the District is a party or, to the knowledge of the District, is otherwise subject;

(e) The Limited Offering Memorandum did not and, at the time of the District's acceptance hereof, the Limited Offering Memorandum does not, and at the time of the Closing, the Limited Offering Memorandum will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading insofar as information within the knowledge of the District is concerned;

(f) The audited financial statements of the District as of September 30, 2014, contained in the Limited Offering Memorandum present fairly the financial position as of such date, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles, and there has been no material adverse change in the financial condition of the District since September 30, 2014;

(g) Between the date of this Bond Placement Agreement and Closing, the District will not, without the prior written consent of the Placement Agent, issue any additional bonds, notes or other obligations for borrowed money payable in whole or in part from ad valorem taxes;

(h) No litigation is pending or, to the knowledge of the District, threatened in any court affecting the existence of the District, the title of its officers to their respective offices, or seeking to restrain or enjoin the issuance or delivery of the Bonds, the levy or the collection of taxes pledged or to be pledged to make payments under the Contract, the levy or collection of special assessments to make payments on the Bonds or in any way contesting or affecting the issuance, execution, delivery, payment, security or validity of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bond Ordinance, the Trust Agreement, the Contract, this Bond Placement Agreement, or contesting the powers of the District, or any authority for the Bonds, the Bond Ordinance, the Trust Agreement, the Contract, or this Bond Placement Agreement or contesting in any way the completeness, accuracy or fairness of the Limited Offering Memorandum;

(i) The descriptions contained in the Limited Offering Memorandum of the District are true and correct in all material respects, and the descriptions of the Bonds, the Trust Agreement, the Contract, and the Bond Ordinance accurately reflect the provisions of such instruments; and

(j) If after the date of this Bond Placement Agreement to and including the date the Placement Agent is no longer required to provide an "official statement" to customers who request the same pursuant to Rule 15c2-12, an event occurs of which the District has knowledge and which would cause the Limited Offering Memorandum to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or

necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall notify the Placement Agent, and if in the opinion of the District or the Placement Agent such event requires a supplement or amendment to the Limited Offering Memorandum, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with laws, the District will request the Issuer to supplement or amend the Limited Offering Memorandum in a form and in a manner jointly approved by the Issuer, the District and the Placement Agent, such that the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading. If such supplement or amendment shall be subsequent to the Closing, the District shall furnish such certificates, instruments and other documents as the Placement Agent may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Limited Offering Memorandum.

6. **Closing**. At 10:00 A.M., Dallas Time, on December 29, 2015 (the "Closing"), or such other date as agreed to by the Issuer and the Placement Agent, the Issuer will deliver the initial Bond and other documents hereinafter mentioned to or under the direction of the Placement Agent and the Placement Agent will accept delivery and pay the purchase price of the Bonds as set forth in Paragraph 1 hereof. The purchase price shall be paid in immediately available funds. Delivery and payment as aforesaid shall be made at the offices of Winstead PC, 500 Winstead Building, 2728 N. Harwood Street, Dallas, Texas 75201, or such other place as shall have been mutually agreed upon by the Issuer and the Placement Agent. The Bonds shall be delivered in fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity of each series of the Bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, all as provided in the Bond Ordinance, and shall be made available to the Placement Agent or its designee at least one business day before the Closing for purposes of inspection in Dallas, Texas, or such other place as shall be mutually satisfactory to the Issuer and the Placement Agent.

7. **Conditions**. The Placement Agent has entered into this Bond Placement Agreement in reliance upon the representations and warranties of the Issuer and the District contained herein and to be contained in the documents and instruments to be delivered at the Closing, and upon the performance by the Issuer and the District, of their respective obligations hereunder, both as of the date hereof and as of the date of Closing. Accordingly, the Placement Agent's obligations under this Bond Placement Agreement to purchase the Bonds shall be subject to the performance by the Issuer and the District of their respective obligations to be performed hereunder and under such documents and instruments executed at or prior to the Closing, and shall also be subject to the following conditions:

(a) The representations and warranties of Issuer and the District contained herein shall be true, complete and correct in all material respects on the date hereof and on and as of the date of Closing, as if made on the date of Closing;

(b) At the time of the Closing, the Bond Ordinance, the Trust Agreement, and the Contract shall be in full force and effect, and the Bond Ordinance, the Trust Agreement, and the Contract shall not have been amended, modified or supplemented and the Limited Offering Memorandum shall not have been amended, modified or supplemented, except as may have been agreed to by the Placement Agent;

(c) At the time of the Closing, all official actions of the Issuer and the District related to the Contract, the Bond Ordinance, the Trust Agreement, this Bond Placement Agreement and the Limited Offering Memorandum shall be in full force and effect and shall not have been amended, modified or supplemented;

(d) Neither the Issuer nor the District shall have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(e) At or prior to the Closing, the Placement Agent shall have received each of the following documents:

(1) The Limited Offering Memorandum executed on behalf of the Issuer by the Mayor and City Secretary of the Issuer and by the President and Secretary of the Board of Directors of the District;

(2) The Bond Ordinance certified by the City Secretary of the Issuer under its seal as having been duly adopted by the Issuer and as being in effect, with such changes or amendments as may have been agreed to by the Placement Agent and evidence of official action of the District approving the form of the Bond Ordinance;

(3) The Trust Agreement executed on behalf of the Issuer by the Mayor and City Secretary of the Issuer and by authorized officers of the Trustee;

(4) The opinion or opinions, dated the date of Closing, of Winstead, PC, Bond Counsel, in form and substance acceptable to the Placement Agent concerning the validity of the Bonds under Texas law, the excludability from gross income, for purposes of federal income taxes, of interest on the Bonds, and the defeasance of the obligations refunded by the Bonds;

(5) The opinions, dated on or prior to the date of Closing, of the Attorney General of Texas, approving the Bonds and evidence of the registration of the Bonds by the Comptroller of Public Accounts of the State of Texas, all as required by law;

(6) The supplemental opinion, dated the date of Closing, of Winstead, PC, addressed to the Issuer, the Trustee, and the Placement Agent (i) with respect to the enforceability of the Trust Agreement and the Contract, and (ii) to the effect that, in its capacity as Bond Counsel, such firm has reviewed the information contained under the captions "THE BONDS," "TAX PROCEDURES," "ASSESSMENT PROCEDURES," "THE ISSUER," "THE DISTRICT," "THE IMPROVEMENT

DISTRICT," "LEGAL MATTERS," "TAX EXEMPTION," "CONTINUING DISCLOSURE OF INFORMATION," "APPENDIX B - DEFINITIONS," "APPENDIX C - SUMMARY OF TRUST AGREEMENT" "APPENDIX D - SUMMARY OF THE CONTRACT" and "APPENDIX E - FORM OF BOND COUNSEL OPINION" contained in the Limited Offering Memorandum, and such firm is of the opinion that such information, fairly summarizes the procedures, law and documents referred to therein. The opinion of such firm shall also state that, based upon its participation in the preparation of the Limited Offering Memorandum, such Counsel has no reason to believe that the Limited Offering Memorandum (except for the financial statements and other financial and statistical data contained therein, as to which no view need be expressed), as of the date thereof, contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(7) An opinion or opinions from Winstead PC, Bond Counsel, dated the date of the Closing, addressed to the Issuer and the Placement Agent to the effect that the Bonds are exempted securities as described in Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 304(a)(4) of the Trust Indenture Act of 1939, as amended, to the extent provided in such Acts, and it is not necessary in connection with the sale of the Bonds to the public to register the Bonds under the Securities Act of 1933, as amended, or to qualify the Bond Ordinance and the Trust Agreement under the Trust Indenture Act of 1939, as amended;

(8) An opinion or opinions of McCall, Parkhurst & Horton L.L.P., Placement Agent's Counsel, dated the date of Closing, in form and substance satisfactory to the Placement Agent.

(9) An opinion of Norton Rose Fulbright US LLP, counsel to the Trustee, addressed to the Issuer and the Placement Agent, concerning the validity of the Trust Agreement;

(10) A certificate, dated the date of Closing, signed by the Mayor of the Issuer, to the knowledge of the Issuer, in his official capacity, to the effect that to his knowledge or belief (i) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and 1as of the date of Closing, as if made on the date of Closing; (ii) no litigation is pending or, to the knowledge of the Issuer, threatened in any court to restrain or enjoin the issuance or delivery of the Bonds, the payments under the Contract, or the levy or collection of special assessments to pay the Special Assessment Revenues, respectively, or the pledge thereof, or in any way contesting or affecting the validity of the Bonds, the Bond Ordinance, the Trust Agreement, the Contract, or this Bond Placement Agreement, or contesting the powers of the Issuer or contesting the authorization of the Bonds, the Contract, the Bond Ordinance, or the Trust Agreement, or contesting in any way the accuracy, completeness or fairness of the Limited Offering Memorandum (but in lieu of or in conjunction with such certificate, the Placement Agent may, in its sole

discretion, accept certificates or opinions of counsel of the Issuer that, in his or her opinion, the issues raised in any such pending or threatened litigation are without substance or that the contentions of all plaintiffs therein are without merit); (iii) the information, descriptions and statements of or pertaining to the Issuer contained in the Limited Offering Memorandum, on the date thereof and on the date of delivery were and are true and correct in all material respects; (iv) insofar as the Issuer and its affairs, including its financial affairs, are concerned, the Limited Offering Memorandum did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; (v) insofar as the descriptions and statements, including financial data contained in the Limited Offering Memorandum, of or pertaining to entities other than the Issuer and their activities are concerned, such statements and data have been obtained from sources which the Issuer believes to be reliable and that the Issuer has no reason to believe are untrue in any material respect or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; however, the Issuer has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the Issuer; and (vi) no event affecting the Issuer has occurred since the date of the Limited Offering Memorandum which should be disclosed in the Limited Offering Memorandum for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any respect;

(11) A certificate, dated the date of Closing, signed by the President or Vice President of the Board of Directors of the District, in their official capacities, to the effect that to their knowledge or belief (i) the representations and warranties of the District contained herein are true and correct in all material respects on and as of the date of Closing, as if made on the date of Closing; (ii) no litigation is pending or, to the knowledge of the District, threatened in any court to restrain or enjoin the issuance or delivery of the Bonds, or the levy or collection of the taxes pledged or to be pledged pursuant to the Contract to pay Contract Revenues and on the levy or collection of special assessments to pay the Special Assessment Revenues, respectively, or the pledge thereof, or in any way contesting or affecting the validity of the Bonds, the Bond Ordinance, the Trust Agreement, the Contract, or this Bond Placement Agreement, or contesting the powers of the District or contesting the authorization of the Bonds, the Contract, the Bond Ordinance, or the Trust Agreement, or contesting in any way the accuracy, completeness or fairness of the Limited Offering Memorandum (but in lieu of or in conjunction with such certificate, the Placement Agent may, in its sole discretion, accept certificates or opinions of counsel of the District that, in their opinion, the issues raised in any such pending or threatened litigation are without substance or that the contentions of all plaintiffs therein are without merit); (iii) the information, descriptions and statements of or pertaining to the District contained in the Limited Offering Memorandum, on the date thereof and on the date of delivery were and are true and correct in all material respects; (iv) insofar as the District and its affairs, including its financial affairs, are

concerned, the Limited Offering Memorandum did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; (v) insofar as the descriptions and statements, including financial data contained in the Limited Offering Memorandum, of or pertaining to entities other than the District and their activities are concerned, such statements and data have been obtained from sources which the District believes to be reliable and that the District has no reason to believe are untrue in any material respect or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; however, the District has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the District; (vii) to the best of their knowledge, no event affecting the District has occurred since the date of the Limited Offering Memorandum which should be disclosed in the Limited Offering Memorandum for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any respect, and (viii) there has not been any material and adverse change in the financial condition of the District since September 30, 2014, the latest date as to which audited financial information is available.

(12) A certificate, dated the date of Closing, of an appropriate official of the Issuer to the effect that, on the basis of the facts, estimates and circumstances in effect on the date of delivery of the Bonds, it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code");

(13) A certificate or letter of representation from the Developer (as defined in the Limited Offering Memorandum) to the effect that the information in the Limited Offering Memorandum under the captions "DEVELOPMENT OF THE DISTRICT AND FUTURE DEVELOPMENT," "THE CASTLE HILLS PROJECT," and "THE DEVELOPER" are true and correct in all material respects and do not omit tot state any material fact necessary to make the statements therein, in the light of the circumstance under which they were made, not misleading; and

(14) Such additional legal opinions, certificates, instruments and other documents as Bond Counsel or Placement Agent's Counsel may reasonably request to evidence the truth, accuracy and completeness, as of the date hereof and as of the date of Closing, of the Issuer's and District's representations and warranties contained herein and of the statements and information contained in the Limited Offering Memorandum and the due performance and satisfaction by the Issuer and the District at or prior to the date of Closing of all agreements then to be performed and all conditions then to be satisfied by the Issuer and the District.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Bond Placement Agreement shall be in form and substance satisfactory to Bond Counsel and Counsel to the Placement Agent.

8. **Termination**. The Placement Agent, by written notice to the Issuer, may terminate its obligation to place the Bonds at any time before Closing between the date of this Agreement and the Closing, if the market price or marketability of the Bonds or the ability of the Placement Agent to enforce contract for the sale of the Bonds shall be materially adversely affected, in the sole judgment of the Placement Agent, reasonably exercised, by the occurrence of any of the following:

(a) (i) Legislation shall have been enacted by the Congress of the United States, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of the Congress by any Committee of such House, or (ii) a decision shall have been rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, or (iii) an order, ruling or regulation shall have been issued or proposed by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or any other agency of the United States, or (iv) a release or Limited Offering Memorandum shall have been issued by the President of the United States or by the Treasury Department of the United States or by the Internal Revenue Service, the effect of which, in any such case described in clause (i), (ii), (iii), or (iv), would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Bonds or upon income of the general character to be derived by the Issuer, other than any imposition of federal income taxes upon interest received on obligations of the general character as the Bonds on the date hereof and other than as disclosed in the Limited Offering Memorandum.

(b) Any action shall have been taken by the Securities and Exchange Commission or by a court of competent jurisdiction which would require registration of any security under the Securities Act of 1933, as amended, or qualification of any indenture under the Trust Indenture Act of 1939, as amended, in connection with the public offering of the Bonds, or any action shall have been taken by any court or by any governmental authority of competent jurisdiction suspending the use of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum or any amendment or supplement thereto, or any proceeding for that purpose shall have been initiated or threatened in any such court or by any such authority.

(c) (i) The Constitution of the State of Texas shall be amended or an amendment shall be proposed, or (ii) legislation shall be enacted, or (iii) a decision shall have been rendered as to matters of Texas law, or (iv) any order, ruling or regulation shall have been issued or proposed by or on behalf of the State of Texas by an official, agency or department thereof, affecting the tax status of the Issuer, the District, their respective property or income, its bonds (including the Bonds) or the interest thereon.

(d) A general suspension of trading in securities on the New York Stock Exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities

exchange, or a general banking moratorium declared by federal, State of New York, or State officials authorized to do so or a material disruption in securities settlement, payment or clearance services in the United States shall have occurred.

(e) A national securities exchange or any governmental authority shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Placement Agent.

(f) There shall have occurred any financial crisis or a default with respect to the debt obligations of, or the institution of proceedings under the federal or the state bankruptcy laws by or against the State or any agency of the State.

(g) There shall have occurred (whether or not foreseeable) any (a) new material outbreak of hostilities (including, without limitation, an act of terrorism) or (b) new material other national or international calamity or crisis including, but not limited to, an escalation of hostilities that existed prior to the date hereof, or (c) material financial crisis or adverse change in the financial or economic conditions affecting the United States government or the securities markets in the United States.

(h) An event described in Paragraphs 4(l) or 5(j) hereof occurs which requires a supplement or amendment to the Limited Offering Memorandum.

(i) A general banking moratorium shall have been declared by authorities of the United States, the State of New York or the State of Texas.

(j) There shall have occurred any materially adverse change in the financial condition of the Issuer or the District, except for changes which the Limited Offering Memorandum discloses are expected to occur.

(k) There shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the Issuer's or the District's obligations.

9. **Expenses**. The Placement Agent shall be under no obligation to pay and the Issuer shall pay any expenses incident to the performance of the Issuer's obligations hereunder, including but not limited to: (i) the cost of the preparation, printing and distribution of the Limited Offering Memorandum (including amendments or supplements thereto); (ii) the cost of the preparation and printing of the Bonds; (iii) the fees and expenses of Bond Counsel; (iv) the fees and disbursements of the Attorney General of Texas and the Issuer's and the District's accountants, advisors, and any other experts or consultants retained by the Issuer or the District; (v) issuance costs associated with CUSIP and DTC filing; (vi) the fees and expenses of the Trustee and Trustee's counsel; and (vii) the fees and expenses of Placement Agent's Counsel.

10. **Notices**. Any notice or other communication to be given to the Issuer under this Bond Placement Agreement may be given by delivering the same in writing at the address for the Issuer set forth above, and any notice or other communication to be given to the Placement Agent under this Bond Placement Agreement may be given by delivering the same in writing to Raymond James & Associates, Inc., 5956 Sherry Lane, Suite 1900, Dallas, Texas 75225, Attention: Lori Sullivan. The approval of the Placement Agent when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing, signed by the Placement Agent and delivered to the Issuer.

11. **Parties in Interest**. This Bond Placement Agreement is made solely for the benefit of the Issuer, the District and the Placement Agent (including the successors or assigns of the Placement Agent) and no other person shall acquire or have any right hereunder or by virtue hereof. The representations, warranties and agreements contained in this Bond Placement Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Placement Agent and (ii) delivery of any payment for the Bonds hereunder; and the Issuer's representations and warranties contained in Section 4 hereof and the District's representations and warranties contained in Section 5 hereof shall remain operative and in full force and effect regardless of any termination of the Bond Placement Agreement.

12. **Source of Payment**. All obligations of the Issuer hereunder shall be payable solely from the proceeds of the Bonds or the Contract Revenues and Special Assessments identified in the Trust Agreement.

13. **Choice of Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

14. **Severability**. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provision or provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

15. **Business Day**. For purposes of this Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

16. **Counterparts**. This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

17. **No Personal Liability**. None of the members of the City Council, nor any officer, agent, or employee of the Issuer, shall be charged personally by the Placement Agent with any liability, or be held liable to the Placement Agent under any term or provision of this Agreement, or because of execution or attempted executing, or because of any breach or attempted or alleged breach, of the Agreement.

18. **Effective Date**. Upon the execution of the acceptance hereof by the Issuer and the District the Bond Placement Agreement shall be effective as of the date set forth on the first page hereof, and shall be valid and enforceable as of the time of such effectiveness.

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC.

By: _____

Title: _____

Accepted at ____ a.m./p.m. CST this December 7, 2015.

CITY OF LEWISVILLE, TEXAS

By:_____
City Manager

DENTON COUNTY FRESH WATER SUPPLY DISTRICT NO. 1-G

By: _____
President

EXHIBIT A

DAVID TAUSSIG & ASSOCIATES, INC.

CITY OF LEWISVILLE
PUBLIC IMPROVEMENT DISTRICT NO. 5
(CASTLE HILLS)

ANNUAL SERVICE PLAN UPDATE
TO THE
ASSESSMENT/SERVICE PLAN

NOVEMBER 30, 2015

Public Finance
Public Private Partnerships
Urban Economics

MCKINNEY, TEXAS
NEWPORT BEACH, CALIFORNIA

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EXHIBIT A – 2015 ASSESSMENT ROLL

I. INTRODUCTION

The Castle Hills Public Improvement District No. 5 (the "PID") was created by the City Council of the City of Lewisville (the "City") by Resolution No. 03989-05-2013 (the "Resolution") on May 6, 2013 in accordance with the Public Improvement District Act, being Chapter 372 of the Texas Local Government Code (the "PID Act") to finance the costs of certain public improvements (the "Authorized Improvements") for the benefit of the property in the PID (the "Assessed Property"). The PID is located in the extraterritorial jurisdiction of the City. The PID contains approximately 307.074 acres of land, subdivided into 155 residential lots and 265.8109 acres of commercial tracts, which include commercial and multifamily development.

An Assessment/Service Plan (the "Plan") was prepared at the direction of the City, identifying the Authorized Improvements and their estimated costs, the manner of assessing the property in the PID for the costs of the Authorized Improvements, and the indebtedness to be incurred. In addition, an assessment roll (the "Assessment Roll") was prepared identifying the assessments on each parcel of Assessed Property, based on the method of assessment identified in the Plan. Following a public hearing, the Plan was adopted by the City on May 19, 2014.

Pursuant to Sections 372.013 and 372.014 of the PID Act, the Service Plan is to be reviewed and updated annually and is to include an Assessment Plan. This Annual Service Plan Update to the Assessment/Service Plan (the "Annual Plan Update") for 2015 is comprised of the following three parts:

- Service Plan Update;
- Assessment Plan; and
- Assessment Roll.

II. ANNUAL SERVICE PLAN UPDATE

Section 372.013 of the PID Act requires that the Annual Service Plan Update (i) define the annual indebtedness and the projected costs of the Projects and (ii) cover a period of at least five (5) years.

A. PID BONDED INDEBTEDNESS

On June 2, 2014, the City issued Combined Contract Revenue and Special Assessment bonds in the aggregate amount of $7,750,000 (the "Series 2014 Bonds"). These included $3,255,000 of Utility System Bonds (the "2014 Utility Bonds") and $4,495,000 of Road System Bonds (the "2014 Road Bonds"). The Series 2014 Bonds are secured by Contract Revenues payable from Denton County Fresh Water Supply District No. 1-G ("District 1-G") pursuant to the 2008 Joint Utility Contract and 2008 Joint Road Contract between the City, Denton County Fresh Water Supply District No. 1-A ("District 1-A") and District 1-G, and by Assessments levied pursuant to the Plan, for the payment of debt service on the Bonds. The City currently estimates that one percent (1%) of the debt service on the Bonds will be secured by and paid from Assessments.

The sources and uses of funds for the Series 2014 Bonds are shown in Table II-1 below.

TABLE II-1

PUBLIC IMPROVEMENT DISTRICT NO. 5
(CASTLE HILLS)

SOURCES AND USES OF FUNDS
SERIES 2014 BONDS

SOURCES OF FUNDS	TOTAL	2014 UTILITY BONDS	2014 ROAD BONDS
BONDS PROCEEDS	$7,750,000	$3,255,000	$4,495,000
CASH ADVANCE FROM DEVELOPER	$726,575	$305,725	$420,850
TOTAL SOURCES OF FUNDS	**$8,476,575**	**$3,560,725**	**$4,915,850**
USE OF FUNDS			
IMPROVEMENT FUND	$7,218,840	$3,029,200	$4,189,640
DEBT SERVICE RESERVE FUND	$726,675	$305,725	$420,950
PLACEMENT AGENT'S FEES	$154,900	$65,000	$89,900
ISSUANCE COSTS	$322,160	$106,700	$215,460
TOTAL USES OF FUNDS	**$8,422,575**	**$3,506,625**	**$4,915,950**

The City anticipates the issuance of additional bonds, including a Series 2015 Combined Contract Revenue and Special Assessment bonds in the currently estimated aggregate amount of $10,950,000 (the "Series 2015 Bonds"). It is anticipated that those will include $10,950,000 in Utility Systems Bonds (the "2015 Utility Bonds"). No Road System Bonds are anticipated to be included in this issuance. A five year projection of the anticipated phased issuance of PID bonds is shown in Table II-2.

TABLE II-2

PUBLIC IMPROVEMENT DISTRICT NO. 5
(CASTLE HILLS)

PROJECTED ANNUAL PID BOND ISSUANCE
AND
AGGREGATE INDEBTEDNESS

YEAR	NEW INDEBTEDNESS	AGGREGATE INDEBTEDNESS
2014	$7,750,000	$7,750,000
2015	$10,950,000	$18,700,000
2016	$0	$18,700,000
2017	$0	$18,700,000
2018	$0	$18,700,000
2019	$0	$18,700,000
PROJECTED TOTAL	**$18,700,000**	**N/A**

B. DESCRIPTION OF AUTHORIZED IMPROVEMENTS

The Authorized Improvements include the following items:

1. WATER SYSTEM IMPROVEMENTS

The water system improvements will consist of the construction of a water distribution system which benefits the PID, connecting to the Upper Trinity Regional Water District's water supply system.

2. WASTEWATER IMPROVEMENTS

The acquisition or construction of a wastewater collection system which benefits the PID, connecting to the City's sanitary sewer collection and treatment system

3. DRAINAGE

The drainage improvements will consist of the acquisition or construction of a stormwater drainage system which benefits the PID.

4. STREETS AND ROADWAYS

The acquisition or construction of streets or roadways and improvements thereto which benefits the PID.

5. ESTIMATED COST OF AUTHORIZED IMPROVEMENTS

The estimated total cost of the Authorized Improvements is $28,100,000. Table II-3 shows the estimated costs of the Authorized Improvements by category.

TABLE II-3

PUBLIC IMPROVEMENT DISTRICT NO. 5
(CASTLE HILLS)

ESTIMATED COSTS OF AUTHORIZED IMPROVEMENT BY CATEGORY

CATEGORY	ESTIMATED COST
WATER FACILITIES	$5,630,000
SEWER FACILITIES	$5,200,000
DRAINAGE FACILITIES	$6,200,000
STREET AND ROADWAY FACILITIES	$6,630,000
DESIGN, ENGINEERING & ADMINISTRATION	$2,074,000
CONTINGENCY	2,366,000
PROJECTED TOTAL EXPENDITURES	**$28,100,000**

The Authorized Improvements will be financed or reimbursed in part from the payment of the Assessments in periodic installments. The remainder of the Authorized Improvements not financed or reimbursed from Assessments will be financed or reimbursed by Contract Revenues.

Table II-3 shows the estimated sources and uses of the Bonds.

TABLE II-3

PUBLIC IMPROVEMENT DISTRICT NO. 5
(CASTLE HILLS)

ESTIMATED SOURCES AND USES OF FUNDS
ALL AUTHORIZED IMPROVEMENTS

SOURCES OF FUNDS	TOTAL	FUNDED BY PID ASSESSMENTS	FUNDED BY CONTRACT REVENUES
UTILITY SYSTEM BOND PROCEEDS	$25,600,000	$256,000	$25,344,000
ROAD SYSTEM BOND PROCEEDS	$10,400,000	$104,000	$10,296,000
TOTAL SOURCES OF FUNDS	**$36,000,000**	**$360,000**	**$35,640,000**
USE OF FUNDS			
CONSTRUCTION COSTS:			
CONSTRUCTION FUNDS: UTILITY	$19,983,000	$199,830	$19,783,170
CONSTRUCTION FUNDS: ROAD	$8,117,000	$81,170	$8,035,830
SUB-TOTAL: ALL CONSTRUCTION FUNDS	**$28,100,000**	**$281,000**	**$27,819,000**
NON-CONSTRUCTION COSTS:			
LEGAL FEES	$720,000	$7,200	$712,800
UNDERWRITER'S FEES	$720,000	$7,200	$712,800
CAPITALIZED INTEREST	$4,680,000	$46,800	$4,633,200
LOC FEES AND CREDIT ENHANCEMENTS	$1,350,000	$13,500	$1,336,500
ORGANIZATION & ADDITIONAL ISSUANCE COSTS	$420,000	$4,200	$415,800
SUB-TOTAL: NON-CONSTRUCTION COSTS	**$7,890,000**	**$78,900**	**$7,811,100**
TOTAL USES OF FUNDS			

III. ASSESSMENT PLAN

Section 372.015 of the PID Act states that the governing body of the municipality shall apportion the cost of an improvement to be assessed against property in an improvement district, and the apportionment shall be made on the basis of special benefits accruing to the property because of the improvement. More specifically, the PID Act provides that the costs of the improvements may be assessed (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited.

A. METHOD OF ASSESSMENT

The City Council determined that the PID Costs should be allocated to the Assessed Property on the basis of the benefit received by each parcel without regard to which Authorized Improvements have been completed and installed, and that such method of allocation will result in the imposition of equal shares of the costs of the Authorized Improvements allocated to the PID on Parcels similarly benefited. In determining the relative value of Parcels, the City Council has taken into consideration (i) the type, size and number of lots and commercial parcels; (ii) current and projected home prices; (iii) the costs of the Authorized Improvements, and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

The total Assessments are equal to $363,263. The Assessments have been allocated based on current platting and development projections to reflect the allocation shown in Table III-1 on the following page. The Assessment for residential property (Lot Type A) is $200 per lot. The Assessment for commercial/multi-family property is $1,250 per acre.

TABLE III-1 PUBLIC IMPROVEMENT DISTRICT NO. 5 (CASTLE HILLS) ASSESSMENT BY LOT TYPE				
LOT TYPE	LOTS	ACRES	ASSESSMENT AMOUNT	TOTAL ASSESSMENTS
RESIDENTIAL:				
LOT TYPE A – SINGLE FAMILY	155		$200	$31,000
COMMERCIAL:				
LOT TYPE B – COMMERCIAL/MULTI-FAMILY		265.8109	$1,250	$332,263
TOTAL				**$363,263**

B. TERMS OF THE ASSESSMENTS

1. AMOUNT OF ASSESSMENTS

The Assessment for each Parcel is shown on the Assessment Roll, and no Assessment shall be changed except as authorized by this Plan or the PID Act. The Assessments shall not exceed the amount required to repay the portion of the principal amount of the Bonds payable from Assessments and shall be collected with interest in an amount to pay a portion of the principal and interest on the Bonds.

2. REDUCTION OF ASSESSMENTS

If after all Authorized Improvements have been constructed and acquired the actual PID Costs are less than the PID Costs used to calculate the Assessments, resulting in excess Bond proceeds being available to redeem Bonds, then the Assessment for each Parcel shall be reduced by an equal percentage such that the sum of the resulting reduced Assessments for all Parcels equals the actual reduced PID Costs and such excess Bond proceeds shall be applied to redeem Bonds. The Assessments shall not be reduced to an amount less than the amount required to repay the portion of the outstanding Bonds secured by Assessments.

3. REALLOCATION OF ASSESSMENTS FOR PARCELS LOCATED WITHIN THE PID

a. UPON SUBDIVISION PRIOR TO RECORDING OF SUBDIVISION PLAT

Upon the subdivision of any Assessed Property without the recording of a Subdivision Plat, the Assessments shall be reallocated for the Assessed Property prior to the subdivision equally among the new subdivided Lots by dividing the outstanding principal amount of the Assessments for each Parcel existing prior to the subdivision among the newly created Parcels based on the Lot Type of the newly created parcel. Newly divided Parcels that are categorized as Lot Type A will bear the Lot Type A assessment and any Parcels categorized as Lot Type B will bear the Lot Type B per acre assessments. The Assessment on the newly divided Parcels shall not exceed the Assessment amount for the applicable Lot Type. The City will approve an updated Assessment Roll in the Plan Update each year showing the reallocation of assessments.

The calculation of the estimated number of Lots or acreage by Lot Type shall be confirmed by the City Council in an update to the Assessment/Service Plan. The estimate as confirmed shall be conclusive.

The reallocation of an Assessment for any Parcel may not exceed the Assessment prior to the reallocation and, to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an update to the Plan and Assessment Roll approved by the City Council.

b. UPON SUBDIVISION BY A RECORDED SUBDIVISION PLAT

Upon the subdivision of any Assessed Property by the recording of a Subdivision Plat, the Assessments shall be reallocated for the Assessed Property prior to the subdivision among the new subdivided Lots by dividing the outstanding principal amount of the Assessments for each Parcel existing prior to the subdivision among the newly created Parcels based on the Lot Type of the newly created parcel. Newly divided Parcels that are categorized as Lot Type A will bear the Lot Type A assessment and any Parcels categorized as Lot Type B will bear the Lot Type B per acre assessments. The City will approve an updated Assessment Roll in the Plan Update each year showing the reallocation of assessments.

The calculation of the estimated number of Lots or acreage by Lot Type shall be confirmed by the City Council in an update to the Assessment/Service Plan. The estimate as confirmed shall be conclusive.

The reallocation of an Assessment for any Parcel may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party

requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an update to the Assessment/Service Plan and Assessment Roll approved by the City Council.

c. UPON CONSOLIDATION

Upon the consolidation of two or more Parcels, the Assessment for the consolidated Parcel shall be the sum of the Assessments for the Parcels prior to consolidation. The reallocation of an Assessment for an Assessed Property may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the consolidation of the Parcels. Any reallocation pursuant to this section shall be calculated and reflected in an update to this Assessment/Service Plan and Assessment Roll approved by the City Council.

d. UPON CHANGE IN USE OR LOT TYPE

Upon a change in land use from single-family residential to multifamily/commercial and therefore from Lot Type A to Lot Type B for Assessed Property, the Assessments shall be reallocated for the Assessed Property upon the change in land use by assessing the new Lot Type B acreage created as a result of the change in use an Assessment equal to, but not to exceed, the $1,250 per acre assessment assessed for Lot Type B pursuant to the Plan and issuing an updated Assessment Roll showing the reallocation of Assessments. The number of Lot Type A Lots, amount of acreage in Lot Type B and total Assessment for each Lot Type will then be revised accordingly in the next Plan Update.

Upon a change in land use from multifamily/commercial to single-family residential and therefore from Lot Type B to Lot Type A for Assessed Property, the Assessments shall be reallocated for the Assessed Property upon the change in land use by assessing each new Lot created as a result of the change in use an Assessment equal to, but not to exceed, the $200 per lot assessment assessed for Lot Type A pursuant to the Plan and issuing an updated Assessment Roll showing the reallocation of Assessments. Any acreage that is not divided into a Lot Type A shall remain in Lot Type B and shall be assessed on a per acre basis. The number of Lot Type A Lots, amount of acreage in Lot Type B and total Assessment for each Lot Type will then be revised accordingly in the next Plan Update.

The calculation of the estimated number of Lots or acreage by Lot Type shall be confirmed by the City Council in an update to the Assessment/Service Plan. The estimate as confirmed shall be conclusive.

The reallocation of an Assessment for any Parcel may not exceed the Assessment prior to the reallocation and to the extent the reallocation of Assessments would cause the Assessment per lot to exceed the Lot Type A per lot amount or the Assessment per acre to exceed the Lot Type B per acre amount, the amount exceeding the Assessments prior to the change in land use or subdivision of the Parcel shall be prepaid by such amount by the party requesting the change in land use or subdivision of the Parcel. Any reallocation pursuant to this section shall be reflected in an update to the Assessment/Service Plan and Assessment Roll approved by the City Council.

C. PAYMENT OF ASSESSMENTS

1. PAYMENT IN FULL OR IN PART

a. Pursuant to the provision of Section 372.018(f) of the Act, an Assessment may be prepaid at any time by paying the unpaid amount of the Assessment plus the interest accrued and penalties that have been imposed prior to the date of payment of the Assessment. An Assessment must be prepaid in full at the time an owner of a lot subject to the Assessment applies for a building permit to construct a structure on such lot and prior to the issuance of a certificate of occupancy for such lot. The Assessments shall be billed for an annual payment (the "Annual Installment") in each year as reflected in the Assessment Roll.

b. If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.

c. Upon payment in full of an Assessment, the City shall deposit the payment in accordance with the Trust Agreement; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate.

d. Once an Assessment is paid in full, the City is hereby authorized to grant a release relating to the Parcel subject to the Assessment. The form of such release shall be as determined by the City to comply with state law and shall effectuate the release of the City's lien on such Parcel subject to the Assessment upon payment in full of the Assessment.

2. PAYMENT IN ANNUAL INSTALLMENTS

Any Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown in the Assessment Roll, which include interest on the outstanding Assessments. It is anticipated that the Denton County Tax Assessor/Collector or Denton County Fresh Water Supply District No. 1-A will bill and collect the annual installments on behalf of the City of Lewisville. Payment of the Annual Installments began with tax bills mailed in 2014.

Each Assessment shall bear interest of no more than the actual interest rate paid on the Bonds or, after issuance of multiple series of bonds, the interest on Assessments shall be calculated as a weighted average of the interest paid on the Bonds.

The Annual Installments as levied shall be reduced to equal the actual costs of repaying the Bonds attributable to repayment from Assessments, when issued, taking into consideration any other available funds for these costs, such as interest income on account balances.

The City or Denton Tax Assessor/Collector will invoice each owner of property for the installment payment at the same time as the City's annual property tax bill, and the installments shall be due and payable, and incur penalty and interest for unpaid installments in the same manner as provided for the City's property taxes. Thereafter, subsequent installments shall be due in the same manner in each succeeding calendar year until the assessment together with interest as provided herein has been paid in full. Failure of an owner to receive an Annual Installment on the property tax bill shall not relieve the owner of the responsibility for the assessment. Delinquent Assessments or installments shall incur Delinquent Collection Costs. The City may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act.

Assessments are personal obligations of the person owning the property assessed in the year an Annual Installment payment becomes due, and only to the extent of such Annual Installment(s). Any sale of property for nonpayment of the Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such property as they become due and payable.

If a Parcel or portion thereof is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel or portion thereof to become Non-Benefited Property, the owner of such Parcel or portion thereof shall pay to the District the full amount of the Assessment, plus

all interest due thereon, for such Parcel or portion thereof prior to any such transfer or act.

If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount. Upon payment in full of an Assessment and all interest on the Assessment to the date of payment in full, the City shall deposit the payment to a separate account whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate. The principal amount of the Annual Installments may not exceed the principal amounts shown on the Assessment Roll as finally adopted by the City.

D. UPDATE OF ASSESSMENT ROLL

The Assessment Roll is to be updated each year to reflect (i) the Assessments and Annual Installments for each Tax Parcel in the PID and (ii) prepayments of the Assessments, if any. The Assessments in the Assessment Roll reflect the number and type of lots projected for each tax parcel as shown in the Plan.

The 2015 Assessment Roll is attached as Exhibit A. Since the time of its last update, there has been no reallocation of Assessments due to the subdivision, consolidation or change in use of any parcel. However, 63 parcels, all Lot Type A (Single Family Residential), have fully prepaid their Assessments.

EXHIBIT A

CITY OF LEWISVILLE
PUBLIC IMPROVEMENT DISTRICT NO. 5
(CASTLE HILLS)

2015 ASSESSMENT ROLL

EXHIBIT B

FORM OF INITIAL SERIES 2015 UTILITY BOND

United States of America
State of Texas

NUMBER: TI-1 DATE OF BONDS:
DENOMINATION: $ December 1, 2015

CITY OF LEWISVILLE, TEXAS
COMBINATION CONTRACT REVENUE AND
SPECIAL ASSESSMENT UTILITY SYSTEM BONDS
SERIES 2015
(LEWISVILLE CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT NO. 5 PROJECT)

INTEREST RATE:	MANDATORY REDEMPTION DATE:	MANDATORY SINKING FUND PAYMENT:	CUSIP:

REGISTERED OWNER: CEDE & CO.
PRINCIPAL AMOUNT: $
DATE OF THE BONDS: December 1, 2015

THE CITY OF LEWISVILLE, TEXAS (the "Issuer") for value received, promises to pay, but solely from sources hereinafter described, to the registered owner identified above or registered assigns, on the dates specified above, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender of this Series 2015 Utility Bond to Wilmington Trust, National Association, Dallas, Texas (the "Trustee") under that certain Master Trust Agreement dated as of May 1, 2014 and that certain Second Supplemental Trust Agreement dated as of December 1, 2015, at its principal corporate trust office in Dallas, Texas, the principal installments identified above, in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rates shown above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of the Date of Closing, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Series 2015 Utility Bond is payable by check on March 1, 2016 and each September 1 and March 1 (each an "Interest Payment Date") thereafter until maturity, mailed to the registered owner of record as shown on the books of registration kept by the Trustee as of the 15th calendar day of the month next preceding each Interest Payment Date.

THE PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY; AND INTEREST ON THIS SERIES 2015 UTILITY BOND IS PAYABLE FROM AND SECURED BY A LIEN ON AND PLEDGE OF THE SPECIAL ASSESSMENT REVENUES, AS DEFINED IN THAT CERTAIN TRUST AGREEMENT (THE "MASTER TRUST AGREEMENT") BY AND BETWEEN THE ISSUER AND THE TRUSTEE DATED AS OF MAY 1, 2014 AND A SECOND SUPPLEMENTAL TRUST AGREEMENT, DATED AS OF DECEMBER 1, 2015 AND THE CONTRACT REVENUES (AS DEFINED IN THE MASTER TRUST AGREEMENT). CAPITALIZED TERMS NOT OTHERWISE DEFINED HEREIN HAVE THE SAME MEANING AS IN THE MASTER TRUST AGREEMENT OR SECOND SUPPLEMENTAL TRUST AGREEMENT. THE ISSUER HAS ADOPTED AN ORDINANCE LEVYING ANNUAL SPECIAL ASSESSMENTS AGAINST EACH ELIGIBLE PARCEL OF LAND WITHIN THE BOUNDARIES OF THE LEWISVILLE CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT NO. 5, AND PROVIDING THAT SUCH SPECIAL ASSESSMENTS, TOGETHER WITH THE CONTRACT REVENUES RECEIVED UNDER THE 2008 JOINT UTILITY CONTRACT ("2008 JOINT UTILITY CONTRACT") BE PAID IN PERIODIC INSTALLMENTS IN AMOUNTS SUFFICIENT TO PAY THE DEBT SERVICE REQUIREMENTS ON THE SERIES 2015 UTILITY BONDS AND ANY ADDITIONAL BONDS. THE SPECIAL ASSESSMENTS, TOGETHER WITH INTEREST, PENALTIES AND EXPENSE OF COLLECTION AND REASONABLE ATTORNEYS FEES, ARE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS, EXCEPT LIENS OR CLAIMS FOR AD VALOREM TAXES. REFERENCE IS MADE TO THE MASTER TRUST AGREEMENT, SECOND SUPPLEMENTAL TRUST AGREEMENT AND THE 2008 JOINT UTILITY CONTRACT FOR A MORE COMPLETE DESCRIPTION OF THE FUNDS CHARGED WITH AND PLEDGED TO THE PAYMENT OF THIS SERIES 2015 UTILITY BOND, AND THE SERIES OF WHICH IT IS A PART.

UNDER THE 2008 Joint Utility Contract, the Issuer agreed to finance the acquisition, construction and utilization of Authorized Improvements for the benefit of the Issuer in that portion of the territory and extra-territorial jurisdiction of the Issuer located within the boundaries of Denton County Fresh Water Supply District No. 1-A ("District No. 1-A") and Denton County Fresh Water Supply District No. 1-G ("District No. 1-G") and District No. 1-G agreed to levy, assess and collect an ad valorem tax unlimited as to rate or amount, on all taxable property within the boundaries of District No. 1-G in an amount necessary to pay the principal of, redemption premium, if any, and interest on the Series 2015 Utility Bonds, to establish and maintain any funds required by the Master Trust Agreement and to pay certain fees and expenses incurred in connection with the issuance of the Series 2015 Utility Bonds, and the construction or acquisition of the Authorized Improvements and making the Authorized Expenditures, including the Series 2015 Authorized Utility Expenditures (the "Contract Payments"). District No. 1-G's obligation to make the Contract Payments is an unconditional obligation of District No. 1-G until the payment or provision for payment of the entire principal of, redemption premium, if any, and interest on the Series 2015 Utility Bonds.

THE OBLIGATION TO MAKE CONTRACT PAYMENTS is a general obligation of District No. 1-G, authorized by an election held within and for District No. 1-G on November 4, 2008, pursuant to the 2008 Joint Utility Contract and in accordance with the provisions of Chapters 49 and 51, of the Texas Water Code, as amended. The Issuer and the Trustee have the right to demand payment of the Contract Payments from taxation by District No. 1-G. District No. 1-G has agreed to make each such Contract Payments to the Trustee for deposit into the Interest and Sinking Account created for the benefit of the Series 2015 Utility Bonds by the Second Supplemental Trust Agreement, in aggregate

amounts sufficient to pay and redeem, and provide for the payment and redemption of the principal of, premium, if any, and interest on this Series 2015 Utility Bond, and the other Series 2015 Utility Bonds of the Series of which it is a part, and to pay all other amounts required by the 2008 Joint Utility Contract, the Master Trust Agreement and the Second Supplemental Trust Agreement when due, subject to and as required by the provisions of the 2008 Joint Utility Contract, the Master Trust Agreement and the Second Supplemental Trust Agreement.

FOR THE FAITHFUL PERFORMANCE of all covenants, recitals and stipulations set forth in the 2008 Joint Utility Contract, including especially those with reference to the proper application of tax proceeds for the payment of the principal of, premium, if any, and interest on the Series 2015 Utility Bonds, promptly when due, the full faith, credit and resources of District No. 1-G have been irrevocably pledged.

Following the sale and delivery of the Series 2015 Utility Bonds, the Issuer shall have the right to issue:

(1) $[11,395,000] of additional new money bonds for utility purposes; and

(2) $25,600,000 of additional utility refunding bonds.

All of the bonds referred in (1) and (2) above may be payable from Special Assessment Revenues and payable from Contract Payments in accordance with the 2008 Joint Utility Contract. The Issuer also reserves the right to issue certain revenue bonds payable solely from the revenue derived from contracts with other entities.

THIS SERIES 2015 UTILITY BOND IS NOT A GENERAL OBLIGATION OF THE ISSUER, DOES NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE ISSUER, AND IS NOT PAYABLE FROM ANY SOURCE EXCEPT SPECIAL ASSESSMENT REVENUES AND CONTRACT REVENUES AS PROVIDED HEREUNDER AND IN ACCORDANCE WITH THE 2008 JOINT UTILITY CONTRACT AND CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED (THE "ACT"). THE OWNER OF THIS SERIES 2015 UTILITY BOND SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THIS OBLIGATION OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THE CONTRACT REVENUES AND THE SPECIAL ASSESSMENT REVENUES AND THE ISSUER SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THIS OBLIGATION FROM ANY MUNICIPAL FUNDS OTHER THAN CONTRACT REVENUES AND SPECIAL ASSESSMENT REVENUES.

THIS SERIES 2015 UTILITY BOND IS ONE OF A DULY AUTHORIZED ISSUE OF BONDS dated December 1, 2015 aggregating $[10,950,000] Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2015 (Lewisville Castle Hills Public Improvement District No. 5 Project), issued pursuant to an ordinance (the "Bond Ordinance") adopted by the governing body of the Issuer and to provide from proceeds from the issuance of the Series 2015 Utility Bonds for the construction and acquisition of Series 2015 Authorized Utility Improvements and to pay costs related to the issuance of the Series 2015 Utility Bonds as authorized by the laws of the State of Texas, including, but not limited to, the Act and Chapters 49 and 51 of the Texas Water Code, as amended.

THIS SERIES 2015 UTILITY BOND AND THE SERIES OF WHICH IT IS A PART are special obligations of the Issuer and are payable as to both principal and interest solely from and equally secured by a lien on and pledge of the sources described above. Reference is hereby made to the Master Trust Agreement and Second Supplemental Trust Agreement for a more complete statement of the covenants and provisions securing the payment of this Series 2015 Utility Bond and the series of which it is a part.

THIS SERIES 2015 UTILITY BOND is transferable only upon presentation and surrender at the principal corporate trust office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Bond Ordinance and Master Trust Agreement. Pursuant to Section 4.03 of the Second Supplemental Trust Agreement, this Series 2015 Utility Bond is transferable only to accredited investors and/or qualified institutional buyers upon delivery of an investor letter executed by the transferee, except that:

(1) At any time on and after the date on which the Assessed Value first equals or exceeds $260,000,000.00, the Series 2015 Utility Bonds shall be transferable to accredited investors and/or qualified institutional buyers without delivery of an investor letter; and

(2) At any time on and after the date on which the Series 2015 Utility Bonds or any other Bonds issued by the PID are first rated "BBB-" or higher by Standard & Poors or Fitch or "Baa3" or higher by Moody's, then the Series 2015 Utility Bonds shall be transferable to any type of investor without delivery of an investor letter.

NOTWITHSTANDING THE FOREGOING, if this Series 2015 Utility Bond is registered in the name of a Securities Depository, as defined in the Master Trust Agreement, this Series 2015 Utility Bond may not be so transferred except as provided in the Master Trust Agreement, to an alternate nominee thereof, or to a successor Securities Depository or a nominee thereof.

FROM AND AFTER SEPTEMBER 1, 2019, THE SERIES 2015 UTILITY BONDS are subject to redemption in whole or in part prior to maturity at the option of the Issuer on any business day at a redemption price equal to the percentage of their principal amount set forth below plus accrued interest to the date fixed for redemption:

Redemption Date	Redemption Price
From September 1, 2019 to August 31, 2020	103%
From September 1, 2020 to August 30, 2021	102%
From September 1, 2021 thereafter	100%

THE SERIES 2015 UTILITY BONDS are to be redeemed at the earliest possible Redemption Date set forth above from prepayments of Contract Payments or Special Assessments, as provided in the Master Trust Agreement and Second Supplemental Trust Agreement at the redemption prices set forth above plus accrued interest to the date of redemption.

[BONDS NOT EXCEEDING _____ DOLLARS ($_____) in principal amount are subject to special mandatory redemption prior to maturity, on any date, at a price equal to the principal amount of the Series 2015 Utility Bonds, or portions thereof, to be redeemed plus accrued interest thereon, to the date fixed for redemption from Special Assessment Revenues resulting from Prepayments of Special Assessments, when such Prepayments have accumulated in the Special Assessments Prepayment Fund under the Trust Agreement, in an amount sufficient to redeem _____ Dollars ($_____) (or any integral multiple thereof) of principal amount in Series 2015 Utility Bonds, plus accrued interest thereon, and have been transferred to the Redemption Fund. The Series 2015 Utility Bonds to be so redeemed shall be selected by the Trustee by lot or other customary random method.]

[THE SERIES 2015 UTILITY BONDS are also subject to mandatory redemption by lot prior to their maturity as provided in the Master Trust Agreement and Second Supplemental Trust Agreement at a redemption price equal to the principal amount of the Series 2015 Utility Bonds to be redeemed, together with unpaid accrued interest on the Series 2015 Utility Bonds called for redemption to the date fixed for redemption in the hereinabove indicated principal amounts and on the dates indicated in Section 3.01(c) of the Second Supplemental Trust Agreement.]

[Each year in which there are mandatory sinking fund redemption requirements on Series 2015 Utility Bonds the Trustee shall determine the principal amount of Series 2015 Utility Bonds that must be mandatorily redeemed and the date on which such Series 2015 Utility Bonds are to be redeemed ("Mandatory Redemption Date"). Notice of such redemption will be given as provided below. The principal amount of Bonds to be mandatorily redeemed on each Mandatory Redemption Date shall be reduced by the principal amount of such Series 2015 Utility Bonds which has been purchased and delivered or tendered for cancellation by or on behalf of the Issuer to the Trustee forty-five (45) days prior to such Mandatory Redemption Date and which has not previously been made the basis for a reduction. In addition, if the Issuer has redeemed (other than mandatory sinking fund redemptions) part but not all of the Series 2015 Utility Bonds, the principal amount to be mandatorily redeemed on the next scheduled Mandatory Redemption Date shall be reduced by the principal amount of Series 2015 Utility Bonds redeemed (other than by mandatory sinking fund redemptions) and-which has not previously been made the basis for a reduction under this sentence.]

[Redemptions pursuant to this paragraph shall be made pro rata, rounded to the nearest $5,000, among the Owners of each date of maturity by redeeming from each such Owner that principal amount which bears the same proportion to the principal amount of such stated maturity registered in the name of such Owner as the total principal amount of such stated maturity to be redeemed on any sinking fund payment date bears to the aggregate principal amount of such stated maturity Outstanding prior to redemption. If the Trustee cannot, make a strict pro rata redemption among the Owners of a stated maturity, the Trustee shall redeem more or less than a pro rata portion from one or more Owners of such stated maturity in such manner as the Trustee deems fair and reasonable. In connection with any such redemption prior to maturity, the Trustee shall make appropriate entries in the Bond Register to reflect a portion of any Bond so redeemed and the amount of the principal remaining outstanding. The Trustee's notation in the Bond Register shall be conclusive as to the principal amount of any Outstanding Bond at any time.]

SERIES 2015 UTILITY BONDS MAY BE REDEEMED IN PART only in integral multiples of $25,000. If a Series 2015 Utility Bond subject to redemption is in a denomination larger than

$25,000, a portion of such Series 2015 Utility Bond may be redeemed, but only in integral multiples of $25,000. In selecting portions of Series 2015 Utility Bonds for redemption, each Series 2015 Utility Bond shall be treated as representing that number of Series 2015 Utility Bonds of $25,000 denomination which is obtained by dividing the principal amount of such Series 2015 Utility Bond by $25,000. Upon surrender of any Series 2015 Utility Bond for redemption in part, the Trustee, in accordance with the provisions of the Master Trust Agreement and the Second Supplemental Trust Agreement, shall authenticate and deliver in exchange therefor a Series 2015 Utility Bond or Series 2015 Utility Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Series 2015 Utility Bond so surrendered.

NOTICE OF EACH EXERCISE OF A RESERVED RIGHT OF REDEMPTION shall be given by the Trustee at least (30) days prior to the redemption date by written notice to the registered owner of each Series 2015 Utility Bond to be redeemed in whole or in part at the address shown on the Register by first-class mail, postage prepaid. Such notice shall state the complete official name of the Series 2015 Utility Bonds to be redeemed, CUSIP numbers, the issue date and the maturity date of such Series 2015 Utility Bonds, any other information appropriate to identify sufficiently the Series 2015 Utility Bonds being redeemed, the redemption date, the principal amount of the Series 2015 Utility Bonds to be redeemed and, if less than all of the then outstanding Series 2015 Utility Bonds are to be redeemed, the identification numbers (and, in the case of partial redemption, the respective principal amounts) of the Series 2015 Utility Bonds to be redeemed, the redemption agent's name and address, and the place at which the Series 2015 Utility Bonds are to be surrendered for payment. Any notice mailed as provided in Section 7.4 of the Master Trust Agreement shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. By the redemption date, due provision shall be made with the Trustee for the payment of the redemption price of the Series 2015 Utility Bonds to be redeemed, plus accrued interest thereon to the redemption date. When such Series 2015 Utility Bonds have been called for redemption, in whole or in part, as provided above and due provision has been made to redeem same, such Series 2015 Utility Bonds, or portions thereof, shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for redemption, and the right of the registered owners to collect interest on such Series 2015 Utility Bonds or portions thereof which would otherwise accrue after the redemption date shall be terminated.

THE SERIES 2015 UTILITY BONDS are exchangeable at the principal corporate trust office of the Trustee for Bonds in the principal amount of $25,000 or a greater amount evenly divisible by $25,000; provided, however, that in the event of a redemption of a portion of the Series 2015 Utility Bonds then outstanding, the Trustee may authenticate and deliver an exchange bond in a denomination of $25,000 or any integral multiple thereof if the amount of any Bond remaining after such redemption is less than $25,000, subject to the terms and conditions of the Master Trust Agreement and Second Supplemental Trust Agreement.

EXCEPT FOR SERIES 2015 UTILITY BONDS INITIALLY DELIVERED, THIS SERIES 2015 UTILITY BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Bond Ordinance, the Master Trust Agreement or the Second Supplemental Trust Agreement unless this Series 2015 Utility Bond is authenticated by the Trustee by due execution of the authentication certificate endorsed hereon.

THE ISSUER HAS APPOINTED the Trustee to act as Trustee for the Bondholders as provided in the Master Trust Agreement and Second Supplemental Trust Agreement. Reference is made to the Master Trust Agreement and Second Supplemental Trust Agreement for a complete description of the powers and duties of the Trustee. The Owners may appoint a Series 2015 Utility Bonds Bondholder Representative, which, in its sole discretion as evidenced by written notice delivered to the Trustee, may (but shall not be required to), (i) in lieu of the Trustee, exercise such one or more of the rights and powers conferred on the Trustee by Article X of the Master Trust Agreement; and (ii) such rights and powers granted to Issuer under the Master Trust Agreement, and such rights of the Owners under the Master Trust Agreement, either by a suit or suits in equity or in law for the enforcement of any appropriate equitable or legal remedy the Series 2015 Utility Bonds Bondholder Representative shall deem most expedient in the interest of the Owners. Modifications or alterations of the Master Trust Agreement, or of any supplements thereto, including the Second Supplemental Trust Agreement, may be made only to the extent and in the circumstances permitted by the Master Trust Agreement.

THE REGISTERED OWNER of this Series 2015 Utility Bond, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Master Trust Agreement and the Second Supplemental Trust Agreement.

THE ISSUER has covenanted in the Master Trust Agreement that it will at all times provide a legally qualified entity to maintain a register of the Owners of the Series 2015 Utility Bonds and will cause notice of any change of registrar to be mailed to each registered owner.

IT IS HEREBY CERTIFIED, RECITED, AND REPRESENTED that this Series 2015 Utility Bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the issuance and delivery of this Series 2015 Utility Bond have been performed, exist, and been done in accordance with law; that the Series 2015 Utility Bonds do not exceed any statutory limitation; and that provision has been made for the principal installment payment of and interest on this Series 2015 Utility Bond and all of the Series 2015 Utility Bonds by the creation of the aforesaid lien on and pledge of the Contract Revenues and Special Assessment Revenues.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS HEREOF, this Series 2015 Utility Bond has been signed with the manual or facsimile signature of the [Mayor] of the Issuer and countersigned with the manual or facsimile signature of the City Secretary, and the official seal of the City has been duly impressed, or placed in facsimile, on this Series 2015 Utility Bond.

(SEAL) CITY OF LEWISVILLE, TEXAS

_____

, [Mayor]

COUNTERSIGNED:

_____

Julie Heinze, City Secretary

FORM OF COMPTROLLER'S CERTIFICATE (ATTACHED TO THE BONDS UPON INITIAL DELIVERY THEREOF)

OFFICE OF COMPTROLLER:

REGISTER NO. _____

STATE OF TEXAS:

I hereby certify that this Series 2015 Utility Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Series 2015 Utility Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY HAND and seal of office at Austin, Texas _____.

_____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

AUTHORIZED EXPENDITURES
LEWISVILLE CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT NO. 5
SERIES 2015 UTILITY BONDS

CONSTRUCTION COSTS:		
Water Storage and Distribution, Sanitary Sewer, Storm Drainage Facilities	$	10,190,400
Total Construction Costs	$	10,190,400

NON-CONSTRUCTION COSTS:		
Debt Service Reserve Fund Deposit (paid from other funds)	$	-0-
Legal and Other Issuance Costs	$	540,600
Original Issue Discount	$	-0-
Underwriter's Discount	$	219,000
Rounding Amount	$	-0-
Total Non-Construction Costs	$	759,600
TOTAL:	**$**	**10,950,000.00**

GENERAL AND NO-LITIGATION CERTIFICATE

THE STATE OF TEXAS

COUNTIES OF DENTON AND DALLAS

We, the undersigned Mayor and City Secretary, respectively, of the City of Lewisville, Texas (the "City"), hereby certify on behalf of the City as follows:

GENERAL

1. This certificate is executed for and on behalf of the City, for the benefit of the Attorney General of the State of Texas (the "Attorney General") and for the benefit of the Initial Purchasers in connection with the issuance of the $10,950,000 CITY OF LEWISVILLE, TEXAS, COMBINATION CONTRACT REVENUE AND SPECIAL ASSESSMENT UTILITY SYSTEM BONDS, SERIES 2015 (the "Series 2015 Utility Bonds") (LEWISVILLE CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT NO. 5 PROJECT) dated December 1, 2015, now in the process of issuance. We certify that:

2. Any certificate signed by an official of the City delivered to the Initial Purchasers or the Attorney General shall be deemed a representation and warranty by the City as to the statements made therein. The Public Finance Division of the Office of the Attorney General is hereby authorized to date this certificate as of the date of approval of the Bonds and is entitled to rely upon the accuracy of the information contained herein unless notified by telephone or fax to the contrary. The Comptroller of Public Accounts is further authorized to register the Series 2015 Utility Bonds upon receipt of the Attorney General approval. After registration, the Series 2015 Utility Bonds, opinions and registration papers shall be delivered to Mr. Ross Martin at the Austin office of Winstead PC, 401 Congress Avenue, Suite 2100, Austin, Texas, 78701.

MATTERS RELATING TO THE CITY

3. We officially executed and signed the Series 2015 Utility Bonds with our manual signatures or by causing facsimiles of our manual signatures to be imprinted or copied on each of the Series 2015 Utility Bonds and, if appropriate, we hereby adopt said facsimile signatures as our own, respectively, and declare that the facsimile signatures constitute our signatures the same as if we had manually signed each of the Series 2015 Utility Bonds.

4. The Series 2015 Utility Bonds are substantially in the form and have been duly executed and signed in the manner prescribed in the Second Supplemental Trust Agreement.

5. At the time we so executed and signed the Series 2015 Utility Bonds we were, and at the time of executing this certificate we are, the duly chosen, qualified and acting officers indicated therein, and authorized to execute the same.

6. No litigation of any nature has been filed or is now pending to restrain or enjoin the issuance or delivery of the Series 2015 Utility Bonds, or which would affect the provision made for their payment or security, or in any manner questioning the proceedings or authority concerning the issuance of the Series 2015 Utility Bonds and that so far as we know and believe no such litigation is threatened.

7. The following persons currently serve on the City Council of the City of Lewisville:

Rudy Durham	Mayor
R. Neil Ferguson	Mayor Pro Tem
Greg Tierney	Deputy Mayor Pro Tem
Leroy Vaughn	Council Member
TJ Gilmore	Council Member
Brent Daniels	Council Member

8. Julie Heinze is the City Secretary, Donna Barron is the City Manager, and Lizbeth Plaster is the City Attorney.

9. That the City is duly incorporated under the general laws of the State of Texas and currently operates pursuant to the general laws of the State of Texas relating to home-rule cities and the Home-Rule Charter of the City adopted under the laws of the State of Texas at an election held in the City on January 29, 1963, which Charter has in no way been amended, repealed, changed or altered since the last issuance of bonds by the City. The Issuer meets the definition of "issuer" pursuant to Section 1371.001(4), Texas Government Code, as a home-rule city with a population exceeding 50,000 which has outstanding long-term indebtedness that is rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for a long-term obligation. The Issuer had a population of 95,290 as of the 2010 US Census.

10. The City has previously issued its $4,495,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Road System Bonds, Series 2014 (Lewisville Castle Hills Public Improvement District No. 5 Project) and $3,255,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2014 (Lewisville Castle Hills Public Improvement District No. 5 Project) which are outstanding and payable from special assessments levied within Lewisville Castle Hills Public Improvement District No. 5 ("LCHPID 5") pursuant to Chapter 372, Texas Local Government Code (the "PID Act"), or from Contract Revenues derived from the 2008 Joint Utility Contract dated as of May 19, 2014 between the City, Denton County Fresh Water Supply District No. 1-G ("District 1-G") and Denton County Fresh Water Supply District No. 1-A ("District No. 1-A") (the "2008 Joint Utility Contract").

11. The 2008 Joint Utility Contract has not been amended or rescinded since its adoption on May 19, 2014 and is in full force and effect, subject to compliance with the applicable requirements of law.

12. Based upon information provided to the City by the Denton Central Appraisal District ("DCAD") as of January 1, 2015, the estimated assessed net taxable real property valuation within

LCHPID5 and District 1-G was $165,646,677.

13. The boundaries of LCHPID 5 at the time of creation and as of the date hereof, are attached hereto as Exhibit "A" and the boundaries of District 1-G at the time of District 1-G's November 4, 2008 election to approve the Joint Utility Contract are the same District 1-G boundaries on the date the elections were called, conducted and as the date hereof, are set out in Exhibit "B".

14. All improvements funded by the Series 2015 Utility Bonds are within the extraterritorial jurisdiction of the City of Lewisville and within the boundaries of LCHPID 5. In addition, all improvements to be constructed with the proceeds of the Series 2015 Utility Bonds will be conveyed to the City following funding of the Series 2015 Utility Bonds and upon completion of such improvements.

15. All meetings of the City Council at which time matters relating to the establishment of the LCHPID 5, the adoption of an original and updated Assessment/Service Plan and Assessment Roll and authorization of and issuance of the Series 2015 Utility Bonds by LCHPID 5 were open to the public as required by law and that notice of said meetings were given in accordance with the provisions of V.T.C.A. Government Code §551, as amended and that all council members were notified of all such meetings and that proper quorums were present for all of said meetings and that meetings relating to the approvals thereof were held at regular City Council meetings.

16. Notices required by the PID Act were published in either the *Neighbors Go Section of the Dallas Morning News, Lewisville Leader* or *Denton Record Chronicle* and the Issuer certifies that these publications are newspapers of general circulation in the extraterritorial jurisdiction of the City pursuant to the requirements of Sections 372.009 and 372.016, Texas Local Government Code.

17. The Assessment/Service Plan for LCHPID 5 and Assessment Roll were adopted on May 19, 2014 (the "2014 Assessment/Service Plan") and updated on December 7, 2015, also known as the Assessment Ordinance.

18. All such interlocal agreements entered into by and between the Issuer and an entity designated to collect assessments, including District No. 1-A or the Denton County Tax Assessor/Collector, do and shall comply with applicable state law.

CLOSING MATTERS

19. To our best knowledge and belief: (a) the information, descriptions and statements of or pertaining to the City contained in the Official Statement, on the date thereof and on the date of delivery of the Series 2015 Utility Bonds were and are true and correct in all material respects (b) insofar as the City and its affairs, including, its financial affairs, are concerned, the Official Statement did not and does not contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which there were made, not misleading; and (c) insofar as the descriptions and statements, including financial data contained in the Official Statement, of or pertaining to entities other that the City and their activities are concerned, such statements and data have been obtained from sources which the City believes to be reliable and that the City has no reason to believe are untrue in any material respect or omit to state any material fact necessary to make the statements

therein, in the light of the circumstances under which they were made, not misleading; however, the City has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the City.

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SIGNED AND SEALED this _____ .

_____	_____
Julie Heinze, City Secretary City of Lewisville	Rudy Durham, Mayor City of Lewisville

(CITY SEAL)

STATE OF TEXAS

COUNTY OF DENTON

Before me, on this day personally appeared the foregoing individuals, known to me to be the officers whose true and genuine signatures were subscribed to the foregoing instrument in my presence.

Given under my hand and seal of office this _____.

	_____
(NOTARY SEAL)	Notary Public

LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

MEMORANDUM

TO: Mayor Rudy Durham
Mayor Pro Tem R Neil Ferguson
Deputy Mayor Pro Tem Greg Tierney
Councilman Leroy Vaughn
Councilman TJ Gilmore
Councilman Brent Daniels

FROM: Donna Barron, City Manager

DATE: December 7, 2015

SUBJECT: **Consideration of a Resolution Casting Lewisville's Votes for Directors to the Denton Central Appraisal District Board.**

The Denton Central Appraisal Board is a five member board selected by the taxing units in the district. The County Tax-Assessor Collector serves as a non-voting member. The board is responsible for adopting the district's budget, hiring the Chief Appraiser, appointing the Appraisal Review Board (ARB), and making general policies for district operations. The board is selected by the governing bodies of taxing units that vote on the appraisal district's budget. The voting entitlement of a taxing unit is determined by dividing the total amount of property taxes imposed in the district by that taxing unit by the sum of the total dollar amount of taxes imposed in the district. Information on the voting entitlement for each qualified taxing unit is attached for your review.

Earlier this year, City Council nominated Michelle French, Brenda Latham, Connie Smith, Charles Stafford and David Terre.

The attached information shows the nominees for the Board as well as the votes cast to date. The city is allocated 120 votes and may cast all of them for a single candidate or divide them among candidates as it wishes. A total of 5,000 votes are cast for the five positions with Lewisville Independent School District (LISD) having the largest number of votes with 1,434. This year LISD voted to split their vote between the five candidates they nominated: Scott Brown, Mike Hassett, Brenda Latham, Connie Smith and David Terre. Seventeen candidates were nominated by the taxing jurisdictions. John Mahalik has removed his name from consideration.

LEWISVILLE
Deep Roots. Broad Wings. Bright Future.

Because LISD split their votes evenly between 5 candidates, it is very difficult to predict where Lewisville's votes this year would best be used. At the time of the writing of this memo, sixteen out of the 59 entities have cast their votes. These sixteen entities account for 51% of the total available votes. David Terre leads with 755.8 votes. Michelle French, one of the five nominated by Lewisville, wants to remain an ex-officio member. Three candidates were nominated by both LISD and Lewisville: Brenda Latham (289.8 votes to date), Connie Smith (289.8 votes to date) and David Terry (755.8). Mr. Terre is a Colony councilmember nominated by the City of The Colony. We cast all votes last year for David Terre and he was elected. You received an email from him asking for your support again this year. Casting our votes in full for Mr. Terry would likely ensure his election. Brenda Latham is the only candidate that is a Lewisville resident. I recommend casting all of your votes in support of one of these two candidates.

Let me know if you have questions.

	Number of Votes	Scott Brown	Kevin Falconer	David Loerwald	Charles Stafford	Mike Hassett	Connie Smith	Robert Gallagher	Rod Collver	Tina Curfman	Danny Everett	Phillip Marquez	Brenda Latham	Matthew Haines	David Terre
ARGYLE ISD	67	23	22	0	22	0	0	0	0	0	0	0	0	0	0
AUBREY ISD	36														
CARROLLTON-FB ISD	142														
CELINA ISD	1														
DENTON ISD	654														
ERA ISD	1														
FRISCO ISD	332	0	0	0	0	0	0	332	0	0	0	0	0	0	0
KRUM ISD	42														
LAKE DALLAS ISD	81	0	0	0	81	0	0	0	0	0	0	0	0	0	0
LEWISVILLE ISD	1434	286.8	0	0	0	286.8	286.8	0	0	0	0	0	286.8	0	286.8
LITTLE ELM ISD	130														
NORTHWEST ISD	294	0	0	0	0	0	0	0	0	0	0	0	0	0	294
PILOT POINT ISD	23														
PONDER ISD	38														
PROSPER ISD	5														
SANGER ISD	39	0	0	0	39	0	0	0	0	0	0	0	0	0	0
SLIDELL ISD	3														
SCHOOL DISTRICTS TOTAL	**3322**														
DENTON COUNTY	**623**														
TOWN OF ARGYLE.....	7														
CITY OF AUBREY.....	3														
TOWN OF BARTONVILLE..	2														
CITY OF CARROLLTON	113	0	113	0	0	0	0	0	0	0	0	0	0	0	0
CITY OF CELINA……	1														
CITY OF THE COLONY...	64	0	0	0	0	0	0	0	0	0	0	0	0	0	64
TOWN OF COPPELL	3	0	3	0	0	0	0	0	0	0	0	0	0	0	0
TOWN OF COPPER CANYON	2														
CITY OF CORINTH.....	33														
CITY OF CORRAL CITY	1														
CITY OF DALLAS…….	31														
CITY OF DENTON.....	192														
CITY OF DISH……	1														
TOWN OF DOUBLE OAK...	3	0	3	0	0	0	0	0	0	0	0	0	0	0	0
TOWN OF FLOWER MOUND.	123														
CITY OF FORT WORTH…….	35														
CITY OF FRISCO……..	113														
CITY OF GRAPEVINE…….	1														
TOWN OF HACKBERRY....	1														
CITY OF HASLET……..	1	0	0	0	0	0	0	1	0	0	0	0	0	0	0
TOWN OF HICKORY CREEK….	5														
CITY OF HIGHLAND VILLAGE……	37	0	0	0	0	0	0	0	0	0	0	0	0	0	37
CITY OF JUSTIN.....	6														
CITY OF KRUGERVILLE..	1														
CITY OF KRUM.....	6														

	Number of Votes	Scott Brown	Kevin Falconer	David Loerwald	Charles Stafford	Mike Hassett	Connie Smith	Robert Gallagher	Rod Collver	Tina Curfman	Danny Everett	Phillip Marquez	Brenda Latham	Matthew Haines	David Terre
CITY OF LAKE DALLAS..	9														
CITY OF LAKEWOOD VILLAGE…..	1														
CITY OF LEWISVILLE...	120														
TOWN OF LITTLE ELM...	49	0	0	0	0	0	0	0	0	0	0	0	0	0	49
TOWN OF NORTHLAKE....	3														
CITY OF OAK POINT....	6														
CITY OF PILOT POINT..	5	0	0	0	5	0	0	0	0	0	0	0	0	0	0
CITY OF PLANO…….	16	4	0	0	0	3	3	0	0	0	0	0	3	0	3
TOWN OF PONDER.....	2														
CITY OF PROSPER	1														
CITY OF ROANOKE.....	19														
CITY OF SANGER.....	11														
TOWN OF SHADY SHORES	3														
CITY OF SOUTHLAKE…….	2														
CITY OF TROPHY CLUB..	22	0	0	0	0	0	0	0	0	0	0	0	0	0	22
CITY OF WESTLAKE	1														
		313.8	**141**	**0**	**147**	**289.8**	**289.8**	**333**	**0**	**0**	**0**	**0**	**289.8**	**0**	**755.8**
CITIES TOTAL:	**1055**	**12%**	**6%**	**0%**	**6%**	**11%**	**11%**	**13%**	**0%**	**0%**	**0%**	**0%**	**11%**	**0%**	**30%**
TOTAL VOTES:	**5000**														

DENTON CENTRAL APPRAISAL DISTRICT

3911 MORSE STREET, P O BOX 2816
DENTON, TEXAS 76202-2816

RECEIVED OCT 26 2015 LEWISVILLE CITY SECRETARY'S OFFICE

MEMO

TO: All Taxing Jurisdictions

FROM: Rudy Durham, Chief Appraiser

DATE: October 23, 2015

SUBJECT: Candidates to Board of Directors of Denton Central Appraisal District

Candidates to the Denton Central Appraisal District Board of Directors are listed below. The list is in alphabetical order by last name.

Each voting unit must cast its vote by **written resolution** and submit it to the Chief Appraiser before December 15th. The unit may cast all its votes for one candidate or may distribute the votes among any number of candidates. When a voting unit casts its votes, it must cast the votes for a person that was nominated and is named on the ballot. There is no provision for write-in candidates. The Tax Code does not permit the Chief Appraiser to count votes cast for someone not listed on the official ballot. The five nominees receiving the most votes will become the Board of Directors.

The candidates nominated by the taxing jurisdictions are: (Please note Asterisk below)

Candidate	Nominating Jurisdiction
1. Scott Brown	Lewisville ISD
2. Rod Collver	City of Lake Dallas
3. Tina Curfman	City of Lake Dallas
4. Danny Everett	City of Lake Dallas
5. Kevin Falconer	City of Carrollton
6. Michelle French*	City of Lewisville
7. Robert Gallagher	Denton County
8. Matthew Haines	Town of Shady Shores
9. Mike Hassett	Lewisville ISD
10. Brenda Latham	Lewisville ISD, Town of Trophy Club, City of Lewisville
11. David Loerwald	Carrollton-Farmers Branch ISD
12. John Mahalik*	Town of Trophy Club, Frisco ISD
13. Phillip Marquez	City of Lake Dallas
14. Connie Smith	Lewisville ISD, Town of Trophy Club, City of Lewisville
15. Charles Stafford	Denton ISD, City of Denton, Town of Trophy Club, City of Lewisville
16. David Terre	City of Denton, Lewisville ISD, City of The Colony, Town of Trophy Club, City of Lewisville
17. Heath Winnett	City of Lake Dallas

*John Mahalik has indicated that he does not want to be reappointed to the Board of Directors and Michelle French has indicated that she prefers to remain an ex-officio member.

Since some of you may not be familiar with the process of selecting the Board, please do not hesitate to contact Kathy Williams at (940) 349-3974 for clarification and/or information.

DENTON CENTRAL APPRAISAL DISTRICT
2015 DISTRIBUTION OF VOTES

JURISDICTIONS		2014 LEVY	%OF TOTAL LEVIES	NUMBER OF VOTES
SCHOOL DISTRICTS:				
S01	ARGYLE ISD	18,801,309.57	1.3458%	67
S02	AUBREY ISD	9,920,938.33	0.7101%	36
S03	CARROLLTON-FB ISD	40,023,899.89	2.8649%	142
S04	CELINA ISD	325,442.36	0.0233%	1
S05	DENTON ISD	183,021,464.42	13.1005%	654
S15	ERA ISD	2,643.48	0.0002%	1
S06	FRISCO ISD	92,760,421.77	6.6397%	332
S07	KRUM ISD	11,743,505.34	0.8406%	42
S08	LAKE DALLAS ISD	22,689,193.06	1.6241%	81
S09	LEWISVILLE ISD	401,041,125.00	28.7062%	1434
S10	LITTLE ELM ISD	36,337,787.05	2.6010%	130
S11	NORTHWEST ISD	82,343,878.92	5.8941%	294
S12	PILOT POINT ISD	6,386,745.62	0.4572%	23
S13	PONDER ISD	10,548,307.15	0.7550%	38
S17	PROSPER ISD	1,453,625.32	0.1040%	5
S14	SANGER ISD	10,917,871.81	0.7815%	39
S16	SLIDELL ISD	830,706.78	0.0595%	3
SCHOOL DISTRICTS TOTALS		$929,148,865.87	66.508%	3322
G01	DENTON COUNTY	$174,365,271.44	12.48%	623
CITIES:				
C26	TOWN OF ARGYLE.....	1,815,454.19	0.1299%	7
C01	CITY OF AUBREY.....	861,461.33	0.0617%	3
C31	TOWN OF BARTONVILLE..	507,555.69	0.0363%	2
C02	CITY OF CARROLLTON	31,836,174.01	2.2788%	113
C49	CITY OF CELINA.....	4,263.52	0.0003%	1
C03	CITY OF THE COLONY...	17,817,583.31	1.2754%	64
C21	TOWN OF COPPELL	806,720.73	0.0577%	3
C27	TOWN OF COPPER CANYON	560,758.23	0.0401%	2
C04	CITY OF CORINTH.....	9,159,001.96	0.6556%	33
C47	CITY OF CORRAL CITY	11,017.31	0.0008%	1
C20	CITY OF DALLAS.....	8,691,816.17	0.6222%	31
C05	CITY OF DENTON.....	54,412,506.17	3.8948%	192
C42	CITY OF DISH.....	77,697.61	0.0056%	1
C30	TOWN OF DOUBLE OAK...	829,829.97	0.0594%	3
C07	TOWN OF FLOWER MOUND.	34,261,080.62	2.4524%	123
C36	CITY OF FORT WORTH.....	9,742,096.94	0.6973%	35
C32	CITY OF FRISCO.....	31,660,659.49	2.2662%	113
C39	CITY OF GRAPEVINE.....	280.09	0.0000%	1
C22	TOWN OF HACKBERRY....	103,685.94	0.0074%	1
C38	CITY OF HASLET.....	9,951.38	0.0007%	1
C19	TOWN OF HICKORY CREEK....	1,414,544.68	0.1013%	5
C08	CITY OF HIGHLAND VILLAGE.....	10,267,505.98	0.7349%	37
C09	CITY OF JUSTIN.....	1,578,203.21	0.1130%	6
C18	CITY OF KRUGERVILLE..	414,492.77	0.0297%	1
C10	CITY OF KRUM.....	1,619,817.82	0.1159%	6
C11	CITY OF LAKE DALLAS..	2,485,244.95	0.1779%	9
C25	CITY OF LAKEWOOD VILLAGE.....	232,757.88	0.0167%	1
C12	CITY OF LEWISVILLE...	33,883,151.22	2.4253%	120
C13	TOWN OF LITTLE ELM...	13,601,601.88	0.9736%	49
C33	TOWN OF NORTHLAKE....	751,604.76	0.0538%	3
C24	CITY OF OAK POINT....	1,627,926.72	0.1165%	6
C14	CITY OF PILOT POINT..	1,368,792.79	0.0980%	5
C29	CITY OF PLANO.....	4,460,055.39	0.3192%	16
C15	TOWN OF PONDER.....	567,978.69	0.0407%	2
C48	CITY OF PROSPER	362,218.93	0.0259%	1
C17	CITY OF ROANOKE.....	5,253,028.87	0.3760%	19
C16	CITY OF SANGER.....	2,965,119.05	0.2122%	11
C34	TOWN OF SHADY SHORES	723,392.33	0.0518%	3
C37	CITY OF SOUTHLAKE.....	575,949.97	0.0412%	2
C28	CITY OF TROPHY CLUB..	6,216,540.78	0.4450%	22
C44	CITY OF WESTLAKE	1,367.08	0.0001%	1
CITY TOTAL		$293,540,890.41	21.01%	1055
TOTAL ALL JURISDICTIONS		$1,397,055,027.72	100.00%	5000

LEWISVILLE

Julie Heinze <jheinze@cityoflewisville.com>

DCAD Board of Directors Election

tcplace4 - David Terre <tcplace4@thecolonytx.gov> Mon, Oct 26, 2015 at 4:37 PM
To: "jheinze@cityoflewisville.com" <jheinze@cityoflewisville.com>

To: Lewisville City Council
I want to express my thanks to Council for casting all 124 votes towards my successful election to the DCAD Board of Directors in 2013. I have enjoyed serving on this Board and believe I have made significant contributions during my 1st Term. I am also on The Colony City Council which has been very beneficial to my work on DCAD.
Having been nominated by your City Council for a 2nd Term, I'm now asking, as you did in 2013, that you support my reelection by casting your 120 votes for me.
You can be assured that I will in my 2nd Term continue to work hard in the best interest of all residents I represent in Denton County.

Sincerely,
David Terre

Sent from my iPhone

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, CASTING VOTES FOR A CANDIDATE TO THE BOARD OF DIRECTORS OF THE DENTON CENTRAL APPRAISAL DISTRICT.

WHEREAS, in accordance with Section 6.03 of the Property Tax Code, a process is set forth to select five individuals to serve as the Denton Central Appraisal District's Board of Directors; and,

WHEREAS, the Lewisville City Council has determined which candidate(s) they will cast the City's 210 votes for;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, THAT:

SECTION 1. The Lewisville City Council hereby unanimously voted on December 7, 2015, to cast the City's 120 votes as follows:

____ votes for candidate _____

____ votes for candidate _____

____ votes for candidate _____

SECTION 2. This resolution will be forwarded to the Chief Appraiser of the Denton Central Appraisal District in accordance with the requirements of the Property Tax Code.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, ON THIS THE 7TH DAY OF DECEMBER, 2015.

APPROVED:

_____
Rudy Durham, MAYOR

ATTEST:

_____
Julie Heinze, CITY SECRETARY

APPROVED AS TO FORM:

_____
Lizbeth Plaster, CITY ATTORNEY